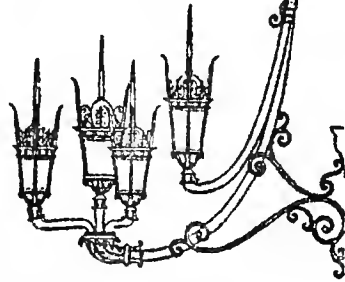



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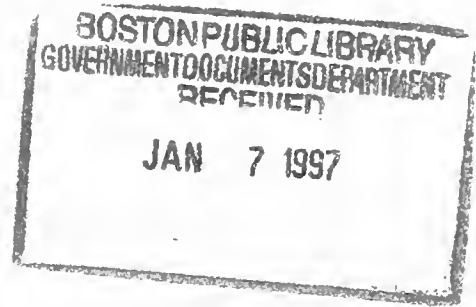
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Comprehensive Annual Financial Report

of the

CITY OF BOSTON

Massachusetts

For the Year Ended June 30, 1993



City of Boston,
Massachusetts

Comprehensive Annual Financial Report

for the Year Ended June 30, 1993

Thomas M. Menino, Mayor
Sally D. Glora, City Auditor



Prepared by the City of Boston Auditing Department



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Comprehensive Annual Financial Report

For the Year Ended June 30, 1993

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INTRODUCTORY SECTION

January 7, 1994

*The Honorable Mayor and
Members of the City Council:*

I am pleased to submit to you the 1993 Comprehensive Annual Financial Report (CAFR) for the City of Boston, Massachusetts (City). The Auditing Department has prepared this report to present the financial position of the City at June 30, 1993, and the results of operations and cash flows for its proprietary funds and nonexpendable trust funds for the year then ended. The financial statements and supporting schedules are prepared according to generally accepted accounting principles (GAAP) and meet the requirements of the Commonwealth of Massachusetts and the City Charter.

Our report contains all the organizations and activities for which the City exercises oversight responsibility. This report excludes certain organizations; the notes to the financial statements discuss the criteria for their exclusion from these statements.

The report is presented in three distinct sections. These sections are:

- o The **Introductory Section** includes information about the City's organization, initiatives, and accomplishments for Fiscal Year 1993 (FY-93).
- o The **Financial Section** includes the independent auditors' opinion, the general purpose financial statements, and the combining statements and schedules for the City's funds and account groups.
- o The **Statistical Section** contains ten years of summary financial data, debt computations, and a variety of demographic, economic, and general information. This section is designed to provide additional information to the reader about the City and its operations.

The accuracy of the City's financial statements and the completeness and fairness of the presentation is the responsibility of the City's management. The City maintains a system of internal controls designed to provide a reasonable assurance that the assets are safeguarded against loss or unauthorized use and that the financial records can be relied on to produce financial statements following generally accepted accounting principles. The concept of reasonable assurance recognizes that the costs of maintaining the system of internal controls should not exceed the benefits likely to be derived.

Thomas M. Menino, Mayor / AUDITING DEPARTMENT / Boston City Hall / City Hall Plaza 02201



Controls are also imposed by the City's adopted budget. This control is maintained through a series of integrated accounts and funds in the City's financial system. A system of encumbrance control is also maintained for the City's purchase orders, service orders, and other contractual commitments.

The Commonwealth of Massachusetts through Chapter 190 of the Acts of 1982, requires that the City undergo an annual audit performed by a firm of independent public accountants. The City has selected the firm of KPMG Peat Marwick to perform the FY-93 audit. This audit, is conducted in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. The audit provides an independent review that helps to assure a fair presentation of the City's financial position and results of operations.

The FY-93 General Purpose Financial Statements of the City are the first audited financial statements that report an unqualified opinion from our independent auditors. This clean opinion was the result of the auditing staff's installation of the Fixed Asset Database System, and subsequent research and data collection for the purpose of identifying and determining the estimated historical cost of the City's fixed assets. This major project was undertaken and completed by the Auditing Department, at a minimum cost to the City. The staff worked with the City's independent auditors throughout the project to ensure that the methods used to collect information and estimate historical cost met acceptable audit and reporting requirements.

In addition to the Commonwealth's audit requirements, the Federal government requires that the City undergo an audit of its Federal grant funds. This audit requirement has been imposed by the Single Audit Act of 1984. In addition to their opinion on the City's financial statements KPMG Peat Marwick issues separate reports on the City's internal control systems and compliance with applicable laws and regulations. These reports, issued separately, meet the requirements of the Single Audit Act and the Office of Management and Budget Circular A-128.

I would like to express my appreciation to the staff of the Accounting and Financial Reporting Unit whose professionalism and dedication made the timely preparation of the CAFR possible. I thank all the members of the Auditing Department staff whose daily contributions and assistance were invaluable in the preparation of this CAFR. I also want to thank the other City departments and agencies who provided additional information for the CAFR.

Finally, I want to thank you for your continued interest in the financial operations of the City, and for the planning and support necessary to conduct the City's financial operations in a responsible manner.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Sally D. Glora". The signature is fluid and cursive, with the first name "Sally" being the most prominent part.

Sally D. Glora
City Auditor

Economic Conditions and Outlook

The City is the economic center of both the Commonwealth and New England. As the center, it has been adversely affected by the region's economic recession. Additionally, the budget problems that have unfavorably influenced the Commonwealth have also directly affected the City and the services it provides. Economically sensitive indicators such as tourism and convention revenues, and City revenues from building permits and business licenses have declined.

The outlook for Fiscal Year 1994 (FY-94) remains uncertain. Recent economic statistics show some signs of improvement. However, employment figures do not indicate a complete turnaround in the region's lagging economy. This is especially true in the area of defense spending as the Department of Defense reduces its spending for weapons systems and research in response to its own budget constraints. These reductions impact the Commonwealth's budget as the revenues from income, business and sales taxes decrease. The reduction in turn impacts Boston as a significant portion of the City's budget is provided by the Commonwealth through State Distributions.

Major Initiatives

For Fiscal Year 1993

FY-1993 Budget. The City reduced its fiscal year budget to reflect further reductions in available revenues. Total revenues for FY-93 amounted to approximately \$1.3 billion, a decrease of \$19.2 million or 1.4%. The following are the five largest differences between the City's revenue sources in FY-92 and FY-93. The property tax levy (net of overlay reserve) was up \$35.2 million or 6.3%. State aid was down \$20.0 million mainly due to a change in the funding method for the County Jails. In Lieu of Taxes is down by \$10.3 million or 37.4%, mainly due to a change in the Prudential Center's taxation status. Appropriations from the budgetary fund balance decreased by \$10.9 million, and hospital receipts were down \$13.4 million or 8.0%. An \$11.1 million increase in Motor Vehicle Excise was offset by significant reductions in Health & Hospitals, 121A excise revenues, In Lieu of Taxes, Sale of Property and Other Financing Sources totalling \$44.1 million.

The City's FY-93 budget includes \$1.3 billion in estimated expenditures for direct departmental services and fixed expenses, representing a decrease of \$19.1 million or 1.4% from FY-92. Reductions in departmental budgets were necessary due to an approximate \$12.9 million increase in the four major fixed expenses: pensions, debt service, health benefits, and state assessments. Total City funded employment, already reduced by 1,263 full-time equivalent employees since January 1991, was reduced further and no salary increases were built into the FY-93 budget. Additionally, the Commonwealth altered its policy of providing funds directly to the City's for the purpose of financing County Jail operations. In FY-93, local aid totalling \$21.6 million was redirected from the City's general fund and designated as grant funds.

State Funding. The FY-93 State budget increased educational funding to municipalities. This new aid was linked to educational reform. The School Department received \$8.5 million as off-budget educational funding. State funding for County Jails became direct grant funding for the Suffolk County Sheriff's Department. State aid available for the general fund remained level funded except for a \$1.9 million increase in lottery aid offset by a decrease of roughly the same amount in the other State aid accounts.

Pensions. The funding of the City's unfunded pension liability has substantially improved over the past ten years. Between FY-83 and FY-92, assets as a percentage of total pension liability went from 16% to 59%. In FY-93, this percentage increased again to 62%.

Fixed Asset Management and Reporting System. The Auditing Department created a database to account for and monitor the City's fixed assets. This database, enabled the City to remove the final qualification from its General Purpose Financial Statements.

Risk Management. To monitor potential exposure to various kinds of losses, the City established a Risk Management Council (RMC). The council is comprised of representatives from several City departments. The City is self-insured for most losses, the RMC will focus on finding ways to minimize the frequency and severity of those losses.

For Fiscal Year 1994 and Beyond

Boston Harbor Clean Up. This federally mandated project will continue through the year 2000, under the direction of the Massachusetts Water Resource Authority (MWRA). The residents of metropolitan Boston will have a cleaner harbor and improved sewage treatment facilities at Deer and Nutt Islands. The project is financed by Environmental Protection Agency grant funds, the Commonwealth, and the rate payers of the MWRA's service area. The magnitude of this project will provide a substantial number of construction jobs to the City's residents during the life of the construction project.

Reconstruction of the Central Artery. The depression of Boston's Central Artery, Interstate 93, and the construction of a third harbor tunnel to Logan International Airport enters its third year. The projects are expected to be completed in 1999 and are funded by the U.S. Department of Transportation's Federal Highway Administration. Additionally, the Commonwealth is contributing matching funds to both projects. Boston will benefit from the reduction in traffic congestion on the Central Artery, jobs during the construction, and additional "green space".

Boston Public Library Restoration. A \$20 million first phase of restoration is underway at the City's central library and an initiative is in progress to renovate all 26 neighborhood branch libraries.

New Police Headquarters. The design and engineering for a new \$62 million Police Headquarters along Roxbury's Southwest Corridor are moving ahead. The new facility will be completed in 1995 and will be equipped with modern policing technologies.

Financial and Control Systems

Budgetary Basis. The financial information presented in the balance of the Introductory Section, with the exception of information on the General Fund fund balance, Enterprise Fund, and Trust and Agency Funds, has been presented on a budgetary basis of accounting. The discussion of the General Fund fund balance, the Enterprise Fund, and Trust and Agency Funds contains information which is presented in accordance with generally accepted accounting principles.

The budgetary basis has been defined by the Commonwealth for its cities, towns, and districts. It differs from generally accepted accounting principles primarily in the timing of the recognition of revenues and expenditures. A discussion of the differences is contained in the footnotes to the City's general purpose financial statements.

Internal Controls. The City's managers are responsible for both establishing and maintaining an effective internal control structure. These controls are designed to reasonably assure that the City's assets are protected from loss, theft, or misuse. The controls also help to assure that adequate accounting data are compiled to allow for the preparation of financial statements in accordance with generally accepted accounting principles.

The internal control structure is designed to provide a reasonable, but not absolute, assurance that these control objectives are met. The idea of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires judgements and estimates by management.

The City Auditor is responsible for evaluating the adequacy and effectiveness of the control structure. A periodic evaluation of the control structure's effectiveness is conducted by the Auditing Department.

Single Audit. The Single Audit Act of 1984 (PL 98-502) requires the City to annually conduct an audit of the Federal financial assistance it has received. This audit is conducted simultaneously with the City's annual financial statement audit. The audit must also comply with the Office of Management and Budget's Circular A-128.

A significant portion of the Single Audit work is devoted to evaluating the City's internal control structure. The evaluation includes tests of a significant number of individual grant transactions that occurred during the fiscal year. This evaluation also requires that the auditor, "Determine whether the organization has complied with laws and regulations that may have a material effect on each major Federal financial assistance program."¹ All of the City's major federal programs (those programs with annual expenditures of more than \$3 million) are evaluated. A sample of non-major programs are also evaluated for the adequacy of the internal control structure by the auditors.

¹ Source: Office of Management and Budget, Circular A-128 Audits of State and Local Governments, paragraph 8.b.

The City's Single Audit report for the year ending June 30, 1993 provided no instances of material weaknesses in the internal control structure, nor were any significant violations of the applicable laws and regulations found. The report will be publicly issued under a separate cover.

Financial System. The Auditing Department maintains an integrated computerized financial accounting system for its accounting, revenue, and expenditure functions. This system provides the City with increased control over its financial assets and allows for the preparation of financial reports and statements in a timely manner. Additionally, the system allows the City to account for and prepare reports and statements on a budgetary basis.

The Auditing Department also maintains an encumbrance accounting system. This system accounts for the City's purchase orders, service orders, and other contractual commitments.

Budgetary Controls. In addition to its internal control structure the City also maintains budgetary controls. The objective of these controls is to ensure compliance with the legally mandated budget enacted by the City Council. Activities of the General Fund are included in the annual budget. The budgets within the Special Revenue Fund are established based on specific grant requirements or specific legislation. The activities of the City's Capital Projects Fund are also approved by the City Council, and specific project budgets are established for each of the projects. These budgetary controls reside within the City's financial system.

The level of budgetary control is established by the function and activity within the individual fund. Budgetary control in this context means the level at which expenditures cannot legally exceed the appropriated amount. In the case of the General Fund this control is at the department level. In the case of the Special Revenue and Capital Projects Funds the control is at the grant or project levels respectively.

General Fund Revenue Summary

The General Fund revenues are grouped into the following 12 categories:

Property Taxes

These taxes are levied annually and are the largest single revenue source for the City. The City's tax rate for FY-93 was \$12.88 per \$1,000 of assessed value for residential real estate and \$39.99 per \$1,000 for commercial real estate and personal property taxes.

Motor Vehicle Excise Taxes

This group is composed of the excise taxes levied on motor vehicle or boat owners who garage their vehicles or port their boats in Boston. State law sets a rate of \$25.00 per \$1,000 of assessed value for these taxes.

City of Boston, Massachusetts

<i>Other Excise Taxes</i>	This group is comprised of Hotel/Motel Room Excise, Aircraft Fuel Excise, and Condominium Conversion taxes.
<i>Departmental Revenue</i>	This group consists of various departmental charges for services. Street Cuts and Repairs, Prior Year Reimbursements, and revenues from City owned parking facilities are the major sources of revenue in this category.
<i>Hospital</i>	Revenues from private insurers, Medicare/Medicaid, and individuals for in and out patient services. It also includes reimbursements for care at the City's long term health care facility.
<i>State Distributions</i>	State entitlements, payments in lieu of taxes for the Commonwealth's facilities, and for services performed by the City on behalf of the Commonwealth.
<i>In Lieu of Taxes</i>	Negotiated payments received from various not for profit organizations, colleges, universities, hospitals, and Chapter 121A urban development corporations.
<i>Licenses and Permits</i>	Building permits, occupational licenses, alcoholic beverage licenses, and cable television fees.
<i>Investment Income</i>	Interest earned on the City's overnight and long term investments.
<i>Fines</i>	Parking fines, penalties and interest, forfeits and costs levied by the district, municipal, and superior courts within the City.
<i>Sale of Property</i>	The annual portion of the deferred revenue generated from the sale of a City owned garage (Kilby Street) in 1986. This also includes revenue recognized from the sale of City-owned parcels that were taken over to facilitate the Central Artery Project.
<i>Other Financing Sources</i>	Transfers from other funds and use of the General Fund's undesignated fund balance.

The following table is a comparison of the General Fund revenue for FY-93 and FY-92.

Comparative General Fund Revenues and Other Financing Sources
Budgetary Basis
(\$ Millions)

	1993		1992		Increase / (Decrease)	
	\$	%	\$	%	\$	%
Property Taxes	590.7	45.3	555.5	41.9	35.2	6.3
Motor Vehicle Excise	30.1	2.3	18.9	1.4	11.1	58.8
Other Excise Taxes	53.2	4.1	56.8	4.3	(3.6)	(6.3)
Departmental Revenue	33.9	2.6	31.1	2.4	2.8	8.9
Hospital	154.8	11.9	168.2	12.7	(13.4)	(8.0)
State Distributions	333.1	25.5	353.1	26.7	(20.0)	(5.7)
In Lieu of Taxes	21.5	1.6	31.8	2.4	(10.3)	(32.4)
Licenses and Permits	16.4	1.3	16.1	1.2	0.3	1.8
Investment Income	8.5	0.7	10.6	0.8	(2.1)	(19.8)
Fines	50.1	3.8	48.9	3.7	1.2	2.5
Sale of Property	2.3	0.2	12.5	0.9	(10.3)	(81.9)
Other Financing Sources	10.6	0.8	20.7	1.6	(10.1)	(48.7)
Total Revenues	<u>1,305.0</u>	<u>100.0</u>	<u>1,324.2</u>	<u>100.0</u>	<u>(19.2)</u>	<u>(1.4)</u>

Fiscal 1993 was the second time in the last decade in which the City had reductions in General Fund revenues. These reductions were primarily due to a gradual decrease in State Aid over the last five years. State Distributions decreased by \$38.0 million in FY-91 and \$38.0 million in FY-92. For FY-93, the \$20 million reduction in State Aid was mainly due to the change of status by the Commonwealth of the County Jail Grant, from the General Fund to a Special Revenue Fund. In response to these reductions, the City has strived to maintain a balanced budget. During the past three years there have been no collective bargaining increases, a reduction of work force through layoffs and attrition, consolidation of smaller departments, the closing of one of the three City hospitals, depletion of the City's available free cash (undesignated fund balance), and the use of one time revenues generated by sale of city property.

Total revenues for FY-93 amounted to \$1.305 billion, a decrease of \$19.2 million or 1.4% from FY-92. Property tax revenues increased by \$35.2, due to an increase in tax rates and new growth. Motor Vehicle Excise Tax receipts increased by \$11.1 million primarily due to collecting a high percentage of FY-92 billings in FY-93 and aggressively collecting current year amounts due. The City also received higher than anticipated receipts from Departmental revenues of \$2.8 million, mainly from penalties and interest payments on late motor vehicle excise bills. The largest revenue decreases were, Hospital revenues (\$13.4 million), due to a reduction in payments related to prior year reimbursements, State Distributions (\$20.0 million), due to a reclass of Jail grant funds from the General Fund to a Special Revenue Fund. Additionally, In Lieu of Taxes decreased (\$10.3 million), due to the City's largest Chapter 121A property converting to standard property taxation status. Other Financing Sources dropped (\$20.4 million) primarily due to a reduction in funds used from the City's budgetary fund balance, and proceeds from previously sold property.

General Fund Expenditure Summary

The City's General Fund is grouped into the following expenditure functions.

<i>General Government</i>	Accounts for the services provided by the legislative and executive branches. Expenditures which cannot be accounted for in other categories are included here.
<i>Human Services</i>	Accounts for the expenditures used to provide direct services to the City's residents. It includes departments such as Veteran Services and the Commissions on the Affairs of the Elderly.
<i>Public Safety</i>	Public safety functions including the Police, Fire, and Inspectional Services Departments.
<i>Public Works</i>	Includes expenditures for maintaining the City's infrastructure, refuse collection, and snow removal.
<i>Property and Development</i>	Maintenance of City owned properties and the development of land taken in tax title proceedings.
<i>Parks and Recreation</i>	Maintenance of the City's parks and cemetery facilities. Year round recreational opportunities are provided to City residents through the expenditures in this category.
<i>Libraries</i>	Operations of the City's library system.
<i>Schools</i>	Support for the school system's activities.
<i>Health and Hospitals</i>	Accounts for the services provided by the Department of Health and Hospitals which includes Boston City Hospital, Boston Specialty and Rehabilitation Hospital, the Long Island Campus, ambulance services, and various public health programs.
<i>County Corrections</i>	Accounts for expenditures to support the maintenance of the two correctional facilities where prisoners are incarcerated.
<i>Judgments and Claims</i>	Expenditures for legal settlements.
<i>Employee Benefits</i>	Accounts for the City's portion of the various fringe benefits provided to employees.

City of Boston, Massachusetts

Contributions To Retirement

Expenditures for the City's portion of its employees' retirement benefits.

Debt Requirements

Accounts for the annual portion of the City's debt service.

State & District Assessments

Accounts for the costs of various State charges for services provided and independent authorities and commissions whose budget is in part funded by the City through these assessments.

The following table provides a comparison of the City expenditures by function for FY-93 and FY-92.

Comparative General Fund Expenditures
Budgetary Basis
(\$ Millions)

	1993		1992		Increase (Decrease)	
	\$	%	\$	%	\$	%
General Government	37.0	2.8	36.6	2.8	0.4	1.2
Human Services	4.9	0.4	5.4	0.4	(0.5)	(8.5)
Public Safety	244.5	18.8	245.7	18.6	(1.2)	(0.5)
Public Works	54.6	4.2	51.9	3.9	2.7	5.2
Property and Development	21.7	1.7	21.7	1.6	0.0	0.1
Parks and Recreation	10.1	0.8	11.3	0.9	(1.1)	(10.0)
Libraries	21.0	1.6	20.6	1.6	0.4	2.0
Schools	374.0	28.7	382.0	28.9	(8.0)	(2.1)
Health and Hospitals	182.8	14.0	183.0	13.9	(0.3)	(0.2)
County Corrections	10.4	0.8	32.2	2.4	(21.8)	(67.6)
Judgments and Claims	8.0	0.6	10.2	0.8	(2.3)	(22.1)
Employee Benefits	69.3	5.3	68.9	5.2	0.4	0.5
Contributions to Retirement	120.0	9.2	114.0	8.6	6.0	5.3
Debt Requirements	89.1	6.8	85.8	6.5	3.3	3.9
State & District Assessments	55.2	4.2	52.4	4.0	2.8	5.3
Total Obligations	<u>1,302.5</u>	<u>100.0</u>	<u>1,321.6</u>	<u>100.0</u>	<u>(19.1)</u>	<u>(1.4)</u>

Expenditures for the year amounted to \$1.302 billion, a decrease of \$19.1 million from \$1.321 billion in FY-92. This decrease was due to implementing across the board spending cuts and tighter spending controls for FY-93. Only expenditures for General Government, Public Works, Libraries, Employee Benefits, Contributions to Retirement, Debt Requirements and State Assessments increased over the FY-92 level. These increases were offset by a total decrease in all the other expenditure lines. The major expenditure decreases were for School Department (\$8.0 million), County operations (\$21.8 million), and Judgments and Claims (\$2.3 million).

The major change in the City's appropriation budget was the reclassification of \$21.6 million in General Fund state aid for County operations to the new correctional grant program established in the Special Revenue Fund.

City of Boston, Massachusetts

The following table provides a summary of the General Fund's expenditures by object class. The table shows that 51.2 % of the 1993 expenditures related to personnel services costs. Fixed costs which includes Retirement Services, Debt Service and State and District Assessments, in the aggregate were \$256.3 million or 19.6% of all FY-93 expenditures.

General Fund Expenditures By Object Class
(\$ Millions)

	1993		1992	
	\$	%	\$	%
Personnel Services	666.5	51.2	694.5	52.5
Contractual Services	129.3	9.9	127.9	9.7
Supplies and Materials	58.6	4.5	63.3	4.8
Current Charges and Obligations	85.8	6.6	85.2	6.4
Equipment	42.7	3.3	43	3.3
Special Appropriations	46.1	3.5	45.7	3.5
Structures and Improvements	17.2	1.3	17.4	1.3
Land and Non-Structural	0.0	0.0	0.1	0.0
Retirement Services	112.0	8.6	106.3	8.0
Debt Service	89.1	6.8	85.8	6.5
State and District Assessments	55.2	4.2	52.4	4.0
Total	<u>1,302.5</u>	<u>100.00</u>	<u>1,321.6</u>	<u>100.00</u>

Cash Management

The City's Collector-Treasurer uses pooled cash and investments for all eligible City funds. The goal of this pool is to maximize income while minimizing exposure and ensuring sufficient liquidity to meet the City's payment obligations. All City funds are pooled except for trust funds, certain grant funds, and bond proceeds. The investment of the funds not included in the pool are controlled by various trust agreements, grant regulations, and bond trustee agreements.

The Collector-Treasurer sets the City's investment policies. These policies are governed by portions of Massachusetts General Laws Chapters 29 and 41. The Commonwealth also has a list of approved securities and other investments that the City may use as part of its pool. These approved investments include: (1) securities that have been issued or unconditionally guaranteed by the U.S. government or its agencies with a maturity date of less than one year from the date of purchase; (2) demand, term, and certificates of deposit; (3) repurchase agreements that have a maturity of less than one year guaranteed with U.S. government or its agencies securities with a maturity of less than 90 days; (4) bonds issued by other states; and (5) interest rate swaps. Additionally, demand, term, and certificates of deposit must be collateralized when they exceed certain levels. Generally, the City's investment policy centers around receiving a competitive yield for its investible cash and minimizing credit and market risks.

All investment earnings, with certain specific exceptions, are included in the General Fund's investment income account. On June 30, 1993 the Collector-Treasurer reported total cash and investments of \$413.4 million. During FY-93 the Collector-Treasurer received an average yield of 3.3% on the investable cash. On June 30, 1992 the Collector-Treasurer reported a cash and investments balance of \$404.5 million, the FY-92 average yield was 4.7%.

Risk Management

The City is self insured in most areas of risk including general liability, auto liability (except school buses), workers compensation, unemployment compensation, and real property. In addition the City self insures certain medical personnel employed by the Department of Health and Hospitals, for medical malpractice. The City's Corporation Counsel defends the City in any lawsuits that arise from the normal course of operations. Settlements of legal claims are paid through the City's claims and judgements account in the General Fund. These claims are accounted for on a pay as you go basis.

The City's health insurance program, administered by the Health Insurance and Benefits Division of the Administrative Services Department, provides coverage to the City's employees and retirees through a number of health maintenance organizations (HMOs) and Blue Cross and Blue Shield of Massachusetts (BCBS). BCBS acts as a third party agent administering the payments and claims for the City. The operations of the BCBS plans are accounted for in a separate Health Claims Trust Fund. Costs to the City for the HMOs are accounted for in the General Fund as part of employee benefits.

General Fund Fund Balance

The General Fund fund balance represents the City's reserve for a rainy day. This reserve may help the City to withstand unexpected emergencies, revenue shortfalls, or unanticipated expenditures.

The City's GAAP fund balance, as of June 30, had increased from \$41.9 million in FY-86 to \$125.9 million in FY-90, a 200% increase. In FY-92 the fund balance was reduced to \$64.2 million, a 49% decrease. Much of the increase in the undesignated fund balance through FY-90 can be attributed to a strong local economy. The decrease as of FY-92 was necessary to preserve the City's services. At the close of FY-93, on a GAAP basis, the City's fund balance had increase to \$72.9 million which is 6.6% of the City's total General Fund revenues.

On a statutory basis the City can use its undesignated fund balance to provide supplemental appropriations to departments during the fiscal year and to provide additional revenues during the tax rate setting process. The use of the City's undesignated fund balance for these purposes must be pre-approved by the Commonwealth's Department of Revenue. This approval process is known as the certification of "free cash".

Figure 1 illustrates that in FY-87 the City began using free cash to supplement appropriations to various departments of the City. Beginning in FY-90 free cash was also used to provide the City with additional revenues for setting the tax rate. This use of free cash reached its height in FY-91 with the commitment of \$38.6 million. An additional \$10.9 million was appropriated by the City Council to support the FY-92 tax rate. In FY-93 no free cash was available for appropriation.

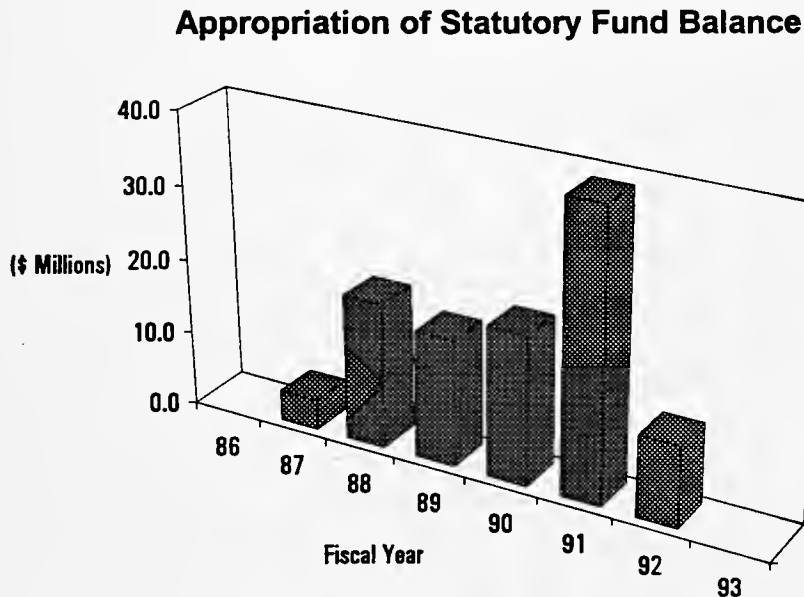


Figure 1

Capital Improvement Program

For the past eight years, the Division of Capital Planning within the Public Facilities Department has prepared an annual capital budget. These spending plans have resulted in the initiation of more than 925 revitalization projects. At present, more than half of these projects have been completed or in progress. The result is, new fire fighting trucks and equipment; reopened police stations and community centers; a refurbished park system; and the construction of a new Boston City Hospital.

The FY-93 \$1.23 billion five year Capital Plan contains over \$100 million in new investments and it furthers the City's commitment to buildings, schools, parks, hospitals and roadways. Since its inception, the Capital Plan has comprehensively examined the needs of the City's capital stock and has emphasized long-term planning and solid financial management. This foundation has enabled the capital program to correct decades of previous under investment and to respond to emerging program goals of City Departments.

Following is the capital budget summary by department or use for FY-93 to FY-97.

Capital Project Budget By Department Or Use
(\$ Millions)

<u>Department or Use</u>	<u>\$</u>	<u>%</u>
Economic Development and Industrial Corp.	7.0	0.7
Fire Department	22.9	2.4
Recreation Facilities	23.8	2.5
Boston Redevelopment Authority	23.7	2.5
Police Department	93.2	9.7
Libraries	34.1	3.5
Parks and Cemeteries	65.1	6.8
Municipal and Historic Facilities	76.1	7.9
Schools	133.6	13.9
Health and Hospitals	191.3	19.9
Public Works	292.0	30.3
Current Project Needs	<u>962.9</u>	<u>100.0</u>

Following is a brief summary of major accomplishments of the City's capital program, "Rebuilding Boston", further detail is provided in the five year Capital Plan published by the City's Public Facilities Department.

Infrastructure

Since 1985, the City has reconstructed or resurfaced 245 miles of roadways, reconstructed 160 miles of sidewalks, installed 8,200 new street lights, rehabilitated 12 bridges and upgraded traffic signals at 43 intersections.

Health Care

The construction of a new inpatient facility at Boston City Hospital (BCH) was completed in late 1993. All in-patients were transferred from the old to the new facility in January 1994.

In October 1992, a new \$1.2 million residence and day care center for Children with AIDS or who are HIV positive was opened in Mattapan. It will be a home for 12 children and provide day care services for an additional 20 children.

The City has dedicated \$1.7 million to construct or renovate space for the homeless. Two other shelter locations have been renovated. Together, they will provide 520 beds for overnight shelter.

Five neighborhood health centers across the City have been renovated with the support of the George Robert White Trust Fund and renovations are currently underway at three other locations.

Seven ambulance facilities have been newly constructed across the City. Plans are underway to build two additional ambulance bays.

Parks and Recreation

Since 1985, the City has committed \$95 million to 220 park improvement projects. To date, 138 parks and play-grounds have already been renovated.

To date, 2,900 trees have been planted in an effort to "green the City."

Close to \$11.6 million has been dedicated to renovate and restore the buildings which support the City's open space, such as field houses and maintenance facilities. In addition, a new Visitor Information Center is planned for Boston Common.

School System

Sixty-four percent of the City's students now attend school in facilities which have been renovated since 1985. When projects that are currently in progress are completed, 71% of the students in Boston's public schools will be learning in renovated facilities.

To date, 126 of the Capital Plan's 166 school improvement projects are completed, another 9 are in construction, 10 are in design and 21 are in the planning stages.

Public Safety

Neighborhood based, full-service police stations with ambulance facilities were constructed in Mattapan and South Boston. Existing facilities in Brighton, East Boston and Hyde Park were renovated and reopened.

100% of the front-line fire fighting apparatus for the City's 56 engine and ladder companies, 2 rescue companies and 1 tower unit company has been replaced since 1985.

Debt Administration

On June 30, 1993 the City had \$524.5 million in direct debt outstanding. This debt consists primarily of general obligation bonds, that included both term and serial issues. An additional \$187.7 million in revenue bonds for the construction and equipping of the new Boston City Hospital was also outstanding.

The ratio of the City's bonded general obligation debt to the assessed valuation continues to remain favorable. At June 30, 1993 this ratio was 1.89% and the debt per capita was \$896.30. These amounts are somewhat favorable when compared with the 1.99% and the \$964.00 at June 30, 1992. Additional analysis of the City's debt position has been included in the Statistical Section of this CAFR.

The City's bond rating remained stable in FY-93. Moody's Investors Service and Standard & Poor's rated the Boston City Hospital Revenue Bond issue as Aa and AA, respectively. The City continues to follow prudent fiscal policies and practices in order to maintain these favorable credit ratings.

Operations of the Enterprise Funds

The City's Enterprise Fund consists of the operations of the Department of Health and Hospitals, the Trustees of Health and Hospitals, and the Economic Development and Industrial Corporation. As a group the funds reported a decrease in fund equity of \$25.5 million from FY-92 to FY-93.

In June 1993 the City advance refunded approximately 170.0 million of bonds outstanding. Under GAAP accounting, Boston City Hospital recognized an extraordinary non-operating loss in FY-93 of approximately \$22.0 million because of the increase in the face amount of bonds outstanding due to the refinancing. Figure 2 graphically depicts the combined retained earnings from FY-86 to FY-93.

Combined Proprietary Retained Earnings

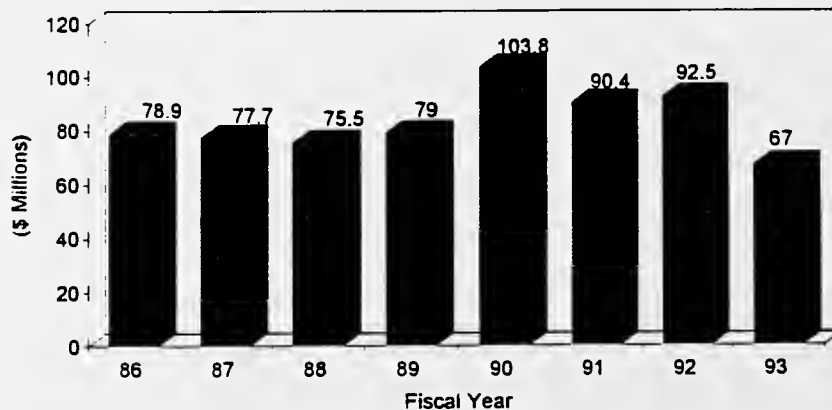


Figure 2

Trust and Agency Funds

The Trust and Agency Funds are used to account for trustee and agency relationships that the City maintains with its employees, other governments (Federal and Commonwealth), private corporations and individual donors and benefactors.

The City's largest Trust Fund is the State-Boston Retirement System (SBRS). Additional detail on this fund is included in the following section. The Trust Funds also includes the operations of the Boston Retirement System.

The resources of the nonexpendable and expendable trust funds are used primarily to provide additional benefits to the City's residents and the City's employees. Monies from these funds are used for certain infrastructure improvements, purchase of equipment, scholarships for Boston Public School students, and jobs and affordable housing for the neediest residents of the City.

The City also holds funds as an agent primarily for other governmental units. Most of the funds held within the agency fund provide for urban development and housing initiatives.

In aggregate, for FY-93 the trust funds had a total equity of \$1.387 billion. Employee retirement funds accounted for approximately \$1.288 billion of the total fund equity. As of June 30, 1992 the combined fund equity for the trust funds was \$1.273 billion with the pension funds accounting for 92.9%, \$1.183 billion, of this total.

Pension Funds

The City participates in a contributory retirement system, the State-Boston Retirement System (SBRS). The City is the largest member of SBRS, a cost sharing multiple employer public employee system operated under Chapter 32 of the Massachusetts General Laws. Each participating employer's share of the total annual contribution is determined on the basis of active payroll.

In 1988 the SBRS system became a funding system in accordance with the Pension Reform Act (Chapter 697). Prior to that, it had been a pay-as-you-go system. This change was further amended by Chapter 450 in 1991. As a consequence the City committed itself to funding based upon a schedule approved by the SBRS and the State actuary, which includes paying the current year's estimated present value of benefits earned during the year (normal cost) and an annual contribution toward reducing the unfunded liability to zero by the year 2020. The schedule is subject to update and approval at least every three years by the Public Employer Retirement Administration, a State agency.

The City also operates the Boston Retirement System (BRS). BRS is the predecessor to SBRS and is open to employees and retirees of the City whose employment began prior to 1946. BRS was not subject to Chapter 697 and is funded on a pay-as-you-go basis.

As of June 30, 1993 total assets of SBRS exceeded \$1 billion. An unaudited footnote detailing the distribution of SBRS cash and investments has been provided in the footnotes to the City's general purpose financial statements.

The footnotes to the financial statements provide information about the accumulated pension benefit obligation of the SBRS as of June 30, 1993. The City's portion of the accumulated pension benefit obligation and the net assets available to fund this obligation have also been included.

Other Information and Acknowledgements

Awards. The Government Finance Officers Association (GFOA) has awarded a Distinguished Budget Presentation Award to the City for FY-93. In order to be awarded a Distinguished Budget Presentation Award the City published a budget document that meets the program criteria as (1) a policy document, (2) an operations guide, (3) a financial plan, and (4) a communications medium.

Independent Audit. Chapter 190 of the Acts of 1982 requires the City to obtain an annual audit by independent certified public accountants. The accounting firm of KPMG Peat Marwick was selected by the City Auditor to perform this audit. In addition to meeting the Commonwealth's statutory requirements, the audit was also designed to meet the requirements of the Federal government's Single Audit Act and the related Office of Management and Budget Circular A-128. Their opinion on our financial statements has been included in the Financial Section of this CAFR with the City's general purpose financial statements. The auditor's reports on the Single Audit will be issued separately.

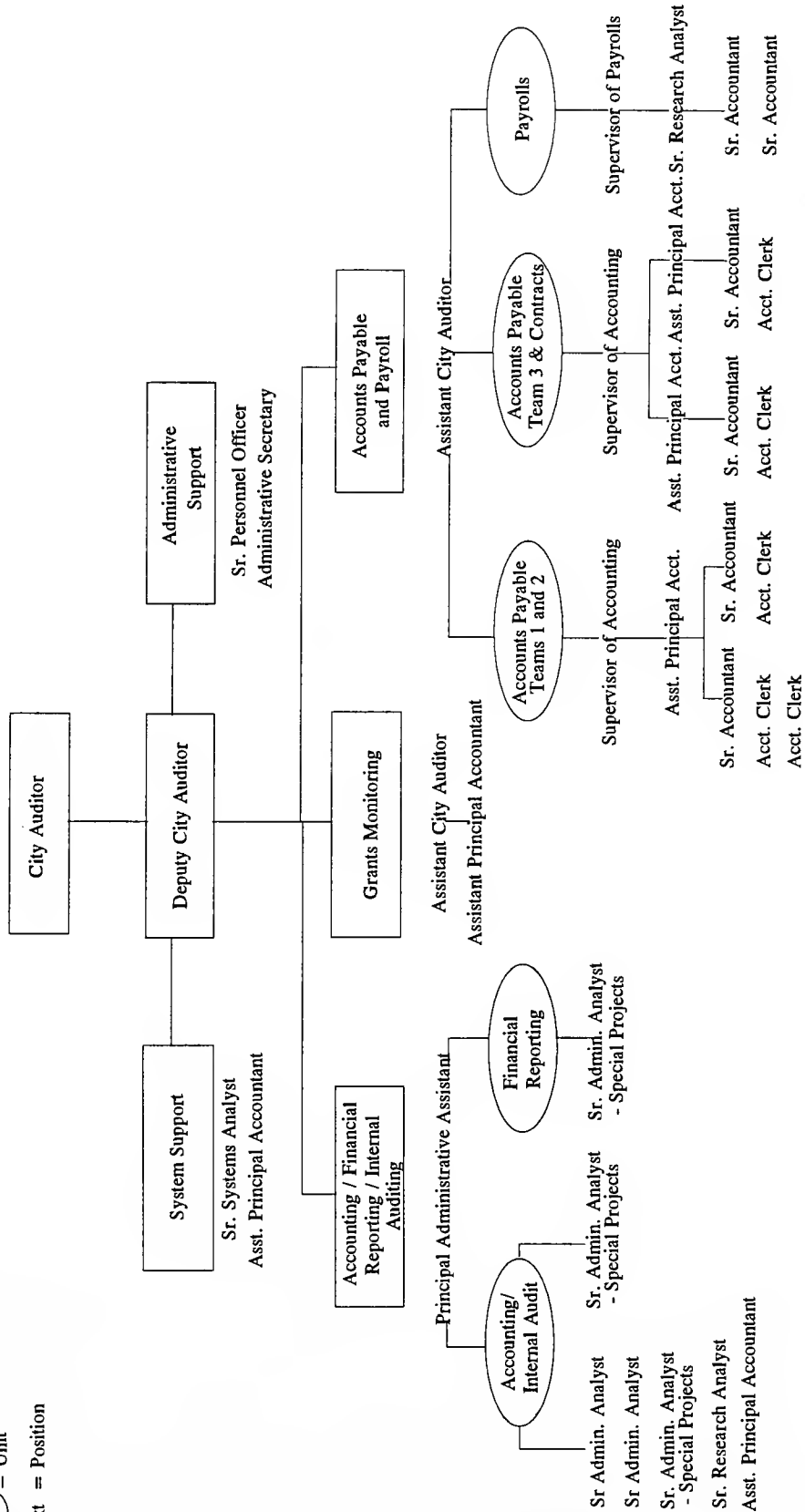
Acknowledgements. The preparation of the CAFR was made possible by the professionalism and dedication of the entire staff of the Auditing Department. Several other City departments also assisted the Auditing Department in the preparation of the CAFR. We gratefully acknowledge their efforts and contributions to this report. We also wish to thank the professional staff of KPMG Peat Marwick, for their advice, technical assistance, and encouragement in the preparation of this CAFR.

Auditing Department - Organizational Chart

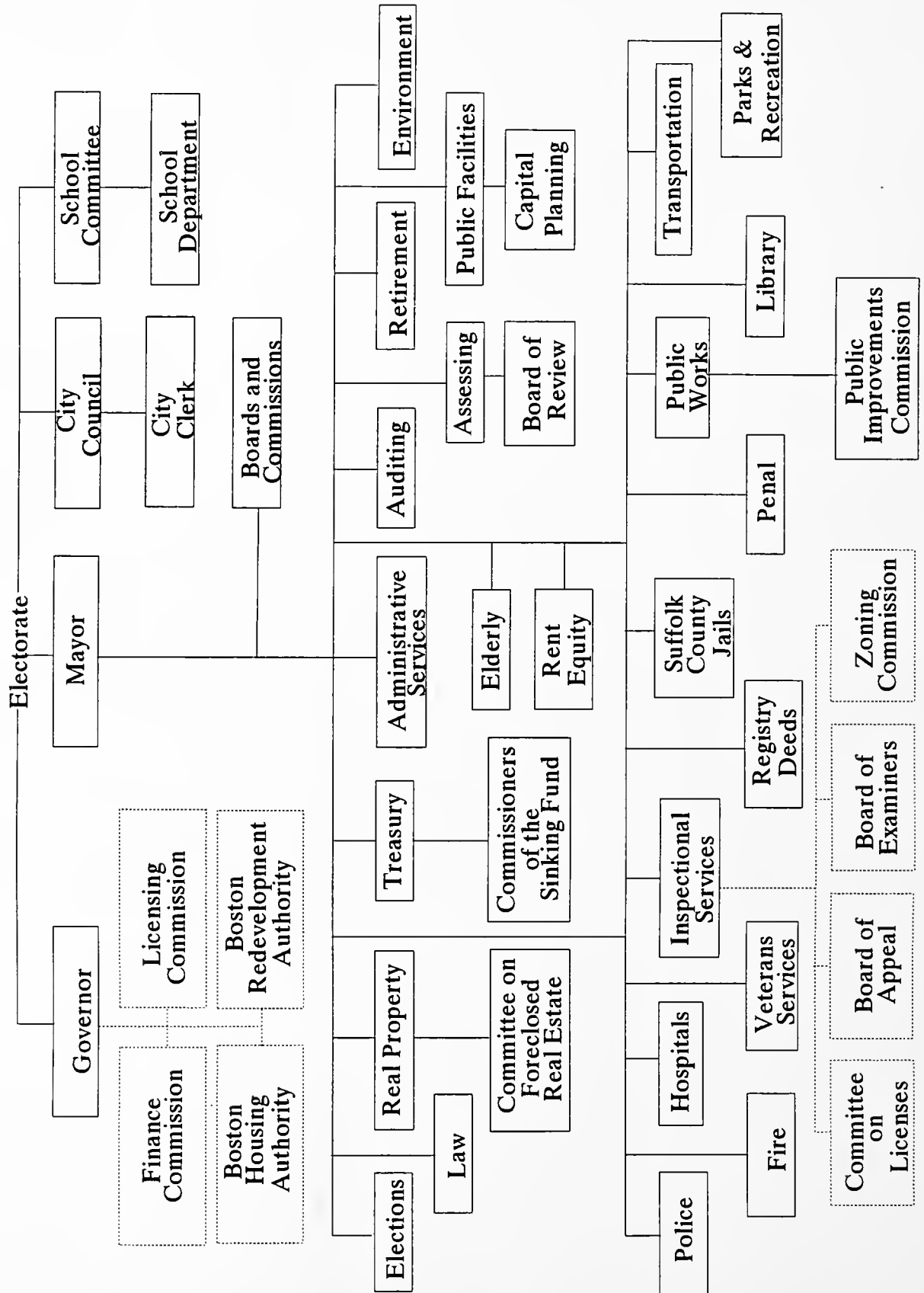
□ = Function

○ = Unit

Text = Position



ORGANIZATION OF BOSTON'S CITY GOVERNMENT



LIST OF ELECTED OFFICIALS

Mayor

Thomas M. Menino

City Council Members

James M. Kelly	President of Council
Margaret E. Davis-Muller	At Large
Richard P. Iannella	At Large
John A. Nucci	At Large
Albert L. O'Neil	At Large
Diane J. Modica	District 1
James M. Kelly	District 2
Maureen E. Feeney	District 3
Charles C. Yancey	District 4
Daniel F. Conley	District 5
Maura A. Hennigan	District 6
Gareth R. Saunders	District 7
Thomas M. Keane	District 8
Brian J. McLaughlin	District 9

Sheriff of Suffolk County

Robert Rufo

Registrar of Deeds Suffolk County

Paul Tierney



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FINANCIAL SECTION

This section is comprised of the independent auditor's report, general purpose financial statements and the combining and comparative fund statements.

Certified Public Accountants

One Boston Place
Boston, MA 02108Telephone 617 723 7700
Telex 617 443 0082 PMMBOST

Telecopier 617 723 6864

Independent Auditors' ReportThe Honorable Mayor and City Council of the
City of Boston, Massachusetts:

We have audited the general purpose financial statements of the City of Boston, Massachusetts, as of and for the year ended June 30, 1993, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of certain entities and accounts that aggregate the following percentages of total assets and revenues of the respective fund types and account groups:

<u>Fund Type/Account Group</u>	<u>Percentage of</u>	
	<u>Total assets</u>	<u>Total revenues</u>
Special Revenue	4%	5%
Capital Projects	29	27
Enterprise	14	10
Trust and Agency	9	4
General Fixed Assets	*	-
General Long-term Debt	*	-

* less than 1%

Those statements were audited by other auditors whose reports have been furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to the amounts included for those entities and accounts, is based solely upon the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of the other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Boston, Massachusetts, as of June 30, 1993, and the results of its operations and the cash flows of its proprietary and nonexpendable trust fund types for the year then ended, in conformity with generally accepted accounting principles.

The Honorable Mayor and City Council of the
City of Boston, Massachusetts

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in relation to the general purpose financial statements taken as a whole.

We did not audit the introductory and statistical information as listed in the table of contents and therefore express no opinion thereon.

KPMG Peat Marwick

January 7, 1994

CITY OF BOSTON, MASSACHUSETTS
Combined Balance Sheet - All Fund Types and Account Groups
June 30, 1993
(in thousands)

Assets	GOVERNMENTAL FUND TYPES					PROPRIETARY FUND TYPE		FIDUCIARY FUND TYPES		ACCOUNT GROUPS		
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Trust and Agency	General Fixed Assets	General Long-Term Debt	Total	(Memorandum only)		
Cash and investments (note 3)	\$ 117,065	53,139	-	67,280	17,574	1,373,776	-	-	1,628,834			
Restricted cash and investments (notes 3 and 7)	-	-	4,680	7,968	94,297	709	-	-	107,654			
Receivables (net, where applicable, of allowance for estimated uncollectible amounts):												
Property taxes	106,945	-	-	-	-	-	-	-	106,945			
Motor vehicle excise	11,163	-	-	-	-	-	-	-	11,163			
Intergovernmental	28,000	18,752	-	16,185	7,571	10,732	-	-	81,240			
Third-party payors	-	-	-	-	21,116	-	-	-	21,116			
Departmental and other	6,427	3,619	-	20,877	66,056	64,537	-	-	161,516			
Total receivables	152,535	22,371	-	37,062	94,743	75,269	-	-	381,980			
Inventories	-	-	-	-	1,277	-	-	-	1,277			
Due from other funds (note 6)	58,154	2,256	1,636	-	-	9,817	-	-	71,863			
Other assets	-	114	-	9,900	5,820	84	-	-	15,918			
Property, plant and equipment, net of accumulated depreciation (note 5)	-	-	-	-	199,074	191	619,896	-	819,161			
Amount available in debt service funds	-	-	-	-	-	-	-	4,680	4,680			
Amount to be provided for the retirement of general long-term obligations by (note 7):												
City of Boston	-	-	-	-	-	-	-	811,589	811,589			
Commonwealth of Massachusetts	-	-	-	-	-	-	-	146,805	146,805			
Boston Water and Sewer Commission	-	-	-	-	-	-	-	780	780			
Total assets	\$ 327,754	77,880	6,316	122,210	412,785	1,459,846	619,896	963,854	3,990,541			

See accompanying notes to general purpose financial statements.

CITY OF BOSTON, MASSACHUSETTS
Combined Balance Sheet - All Fund Types and Account Groups
June 30, 1993
(in thousands)

	<u>GOVERNMENTAL FUND TYPES</u>				<u>PROPRIETARY FUND TYPE</u>		<u>FIDUCIARY FUND TYPES</u>		<u>ACCOUNT GROUPS</u>		
	<u>General</u>		<u>Special Revenue</u>		<u>Debt Service</u>		<u>Capital Projects</u>		<u>General Fixed Assets</u>		<u>Total (Memorandum only)</u>
<u>Liabilities</u>											
Warrants and accounts payable:	\$ 66,935	6,985	-	5,856	12,513	20,843			-	-	113,132
Accrued liabilities:											
Tax abatement refunds	54,000	-	-	-	-	-	-	-	-	14,200	68,200
Judgments and claims	-	-	-	-	2,800	-	-	-	-	8,825	11,625
Sick and vacation	-	-	-	-	5,433	-	-	-	-	74,612	80,045
Retirement costs (note 9)	-	-	-	-	20,015	-	-	-	-	298,493	318,508
Other	14,065	19,698	-	5,881	15,975	43,111	-	-	-	-	98,730
Intergovernmental	-	-	-	-	12,790	-	-	-	-	-	12,790
Due to other funds (note 6)	3,503	485	-	2,837	30,923	1,954	-	-	-	28,248	67,950
Deferred revenue	116,382	2,305	-	17,685	32,127	-	-	-	-	-	168,499
Matured interest and bonds payable	-	-	1,636	-	-	-	-	-	-	-	1,636
Obligations under capital leases (note 8)	-	-	-	-	2,075	-	-	-	-	14,996	17,071
Bonds, loans and notes payable (note 7)	-	-	-	-	211,154	6,900	-	-	-	524,480	752,434
Total liabilities	<u>254,885</u>	<u>29,473</u>	<u>1,636</u>	<u>42,159</u>	<u>345,805</u>	<u>72,808</u>			<u>-</u>	<u>963,854</u>	<u>1,710,620</u>
<u>Fund Equity and Other Credits</u>											
Investment in general fixed assets	-	-	-	-	-	-	-	-	619,896	-	619,896
Retained earnings	-	-	-	-	-	-	-	-	-	-	66,980
Fund balances:											
Reserved for:											
Encumbrances and continuing appropriations	7,442	26,786	-	80,051	-	6,784	-	-	-	-	121,063
Employee retirement systems	-	-	-	-	-	1,288,395	-	-	-	-	1,288,395
Debt service (note 7)	-	-	4,680	-	-	-	-	-	-	-	4,680
Other	1,277	-	-	-	-	-	-	-	-	-	1,277
Unreserved:											
Designated	-	1,714	-	-	-	-	-	-	-	-	1,714
Undesignated	64,150	19,907	-	-	-	91,859	-	-	-	-	175,916
Total fund equity and other credits	<u>72,869</u>	<u>48,407</u>	<u>4,680</u>	<u>80,051</u>	<u>66,980</u>	<u>1,387,038</u>			<u>619,896</u>	<u>-</u>	<u>2,279,921</u>
Contingencies (note 12)											
Total liabilities and fund equity	\$ <u>327,754</u>	<u>77,880</u>	<u>6,316</u>	<u>122,210</u>	<u>412,785</u>	<u>1,459,846</u>			<u>619,896</u>	<u>963,854</u>	<u>3,990,541</u>

See accompanying notes to general purpose financial statements.

CITY OF BOSTON, MASSACHUSETTS

Combined Statement of Revenues, Expenditures and Changes in Fund Equity - All Governmental Fund Types and Expendable Trust Funds

Year ended June 30, 1993

(in thousands)

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPE	Total (Memorandum only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Revenues:						
Local:						
Real and personal property taxes, net (note 4)	\$ 586,532	-	-	-	-	586,532
Excises	55,597	-	-	-	-	55,597
Payments in lieu of taxes	49,115	-	-	-	-	49,115
Fines	51,157	-	-	-	-	51,157
Investment income	8,755	-	13	731	3,112	12,611
Licenses and permits	16,353	-	-	-	-	16,353
Departmental and other revenue	33,066	20,970	-	11,203	81,383	146,622
Total local revenues	<u>800,575</u>	<u>20,970</u>	<u>13</u>	<u>11,934</u>	<u>84,495</u>	<u>917,987</u>
Intergovernmental:						
Federal	-	88,821	-	1,987	-	90,808
Commonwealth of Massachusetts	305,908	63,908	-	25,380	-	395,196
Other	-	-	594	-	-	594
Total intergovernmental revenues	<u>305,908</u>	<u>152,729</u>	<u>594</u>	<u>27,367</u>	<u>-</u>	<u>486,598</u>
Total revenues	<u>1,106,483</u>	<u>173,699</u>	<u>607</u>	<u>39,301</u>	<u>84,495</u>	<u>1,404,585</u>
Expenditures:						
Current:						
General government	35,886	2,981	-	-	702	39,569
Human services	4,903	973	-	-	901	6,777
Public safety	235,421	10,996	-	-	-	246,417
Public works	53,864	201	-	-	1,735	55,800
Property and development	21,543	-	-	-	-	21,543
Parks and recreation	10,399	2,222	-	-	2,068	14,689
Library	21,028	1,090	-	-	1,464	23,582
Schools	370,832	73,844	-	-	46	444,722
County	11,096	40,725	-	-	-	51,821
Judgments and claims	7,640	-	-	631	-	8,271
Other employee benefits	68,216	-	-	-	73,219	141,435
Retirement costs (note 9)	81,499	-	-	1,514	-	83,013
State and district assessments	55,163	-	-	-	-	55,163
Miscellaneous	615	-	-	-	-	615
Community development	-	36,638	-	-	-	36,638
Capital outlays	3,139	7,088	-	91,860	-	102,087
Debt service	-	-	-	3,265	-	3,265
Total expenditures	<u>981,244</u>	<u>176,758</u>	<u>88,048</u>	<u>97,270</u>	<u>80,135</u>	<u>1,423,455</u>
Excess (deficiency) of revenues over expenditures	<u>125,239</u>	<u>(3,059)</u>	<u>(87,441)</u>	<u>(57,969)</u>	<u>4,360</u>	<u>(18,870)</u>
Other financing sources (uses):						
Proceeds of refunding debt and capital leases (note 7)	-	-	-	98,090	-	98,090
Payment to escrow agent for refunded debt (note 7)	-	-	-	(89,369)	-	(89,369)
Operating transfers in (out), net (note 10)	(116,520)	(1,887)	86,173	(5,688)	739	(37,183)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing						
Fund balance, beginning of year	8,719	(4,946)	(1,268)	(54,936)	5,099	(47,332)
Fund balance, end of year	<u>64,150</u>	<u>53,353</u>	<u>5,948</u>	<u>134,987</u>	<u>36,338</u>	<u>294,776</u>
	<u>\$ 72,869</u>	<u>48,407</u>	<u>4,680</u>	<u>80,051</u>	<u>41,437</u>	<u>247,444</u>

See accompanying notes to general purpose financial statements.

CITY OF BOSTON, MASSACHUSETTS

Statement of Revenues and Expenditures - Budgetary Basis

Year Ended June 30, 1993

(in thousands)

	1993				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	1992 Actual
Revenues:					
Real and personal property taxes, net	\$ 590,656	590,656	590,663	7	555,491
Excises	72,162	72,162	83,238	11,076	75,685
Commonwealth of Massachusetts	334,035	334,035	333,093	(942)	353,103
Health and hospitals	158,000	158,000	154,783	(3,217)	168,212
Departmental and other revenue	27,224	29,093	33,905	4,812	31,139
Fines	50,668	50,668	50,140	(528)	48,926
Payments in lieu of taxes	19,693	19,693	21,474	1,781	31,756
Investment income	10,400	10,400	8,507	(1,893)	10,610
Licenses and permits	14,555	14,555	16,353	1,798	16,057
Sale of property	13,265	13,265	2,265	(11,000)	12,516
Operating transfers from other funds	10,418	10,418	10,418	-	9,800
Other available funds	<u>662</u>	<u>662</u>	<u>198</u>	<u>(464)</u>	<u>10,907</u>
Total revenues, transfers and other available funds	<u>1,301,738</u>	<u>1,303,607</u>	<u>1,305,037</u>	<u>1,430</u>	<u>1,324,202</u>
Expenditures:					
Current:					
General government	37,470	38,615	37,029	1,586	36,594
Human services	5,278	5,278	4,940	338	5,399
Public safety	242,435	242,790	244,477	(1,687)	245,671
Public works	52,075	52,475	54,554	(2,079)	51,860
Property and development	21,481	21,791	21,723	68	21,704
Parks and recreation	10,260	10,260	10,139	121	11,264
Library	19,133	21,002	20,999	3	20,594
Schools	374,000	374,000	373,983	17	381,962
Health and hospitals	180,800	180,800	182,765	(1,965)	183,045
County	10,438	10,438	10,443	(5)	32,193
Judgments and claims	6,000	6,000	7,976	(1,976)	10,234
Other employee benefits	73,277	73,273	69,260	4,013	68,890
Pension costs	120,712	120,532	119,974	558	113,981
State and district assessments	55,414	55,414	55,163	251	52,408
Debt requirements	<u>92,965</u>	<u>90,939</u>	<u>89,069</u>	<u>1,870</u>	<u>85,758</u>
Total expenditures	<u>1,301,738</u>	<u>1,303,607</u>	<u>1,302,494</u>	<u>1,113</u>	<u>1,321,557</u>
Excess of net revenues available for appropriation over expenditures	\$ <u>-</u>	<u>-</u>	<u>2,543</u>	<u>2,543</u>	<u>2,645</u>

See accompanying notes to general purpose financial statements.

CITY OF BOSTON, MASSACHUSETTS

Combined Statement of Revenues, Expenses and Changes in Fund Equity - All Proprietary Fund Types and Similar Trust Funds

Year Ended June 30, 1993

(in thousands)

	PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPES		
	Enterprise Funds	Pension Trusts	Nonexpendable Trusts	Total (Memorandum Only)
Revenues:				
Net patient service revenue	\$ 177,989	-	-	177,989
Investment income	1,386	43,359	5,955	50,700
Net appreciation in fair value of investments	-	16,080	-	16,080
Contributions and donations	-	208,057	132	208,189
Programs	63,495	-	-	63,495
Rental income	5,699	-	-	5,699
Intergovernmental	19,663	24,083	-	43,746
Miscellaneous	<u>12,681</u>	<u>60</u>	<u>248</u>	<u>12,989</u>
Total operating revenues	<u>280,913</u>	<u>291,639</u>	<u>6,335</u>	<u>578,887</u>
Expenses:				
Salaries and wages	110,024	-	-	110,024
Professional fees	19,561	-	43	19,604
Administrative and general	37,047	1,262	2	38,311
Materials and supplies	14,996	-	-	14,996
Depreciation	10,782	-	-	10,782
Retirement costs	4,944	-	-	4,944
Interest	5,467	-	-	5,467
Bad debts	19,809	-	-	19,809
Libraries	-	-	562	562
Benefits paid	-	169,533	-	169,533
Member refunds, and transfers and reimbursements to other systems, net	-	15,699	-	15,699
Subsidies for community services, special programs, and real estate operations	<u>94,193</u>	<u>-</u>	<u>12</u>	<u>94,205</u>
Total operating expenses	<u>316,823</u>	<u>186,494</u>	<u>619</u>	<u>503,936</u>
Operating income (loss) before operating transfers and extraordinary loss	(35,910)	105,145	5,716	74,951
Operating transfers in (out), net (note 10)	<u>33,206</u>	<u>-</u>	<u>(2,641)</u>	<u>30,565</u>
Income (loss) before extraordinary loss	(2,704)	105,145	3,075	105,516
Extraordinary loss, net (note 7)	<u>(22,808)</u>	<u>-</u>	<u>-</u>	<u>(22,808)</u>
Net income (loss)	(25,512)	105,145	3,075	82,708
Fund equity, beginning of year	<u>92,492</u>	<u>1,183,250</u>	<u>54,131</u>	<u>1,329,873</u>
Fund equity, end of year	\$ <u>66,980</u>	<u>1,288,395</u>	<u>57,206</u>	<u>1,412,581</u>

See accompanying notes to general purpose financial statements.

CITY OF BOSTON, MASSACHUSETTS
Combined Statement of Cash Flows - All Proprietary Fund Types and Nonexpendable Trust Funds
Year Ended June 30, 1993
(in thousands)

	<u>PROPRIETARY FUND TYPE</u> Enterprise Funds	<u>FIDUCIARY FUND TYPE</u> Nonexpendable Trusts	Total (Memorandum Only)
Cash flows from operating activities:			
Operating income (loss) before operating transfers and extraordinary loss	\$ (35,910)	5,716	(30,194)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	10,782	-	10,782
Provision for bad debts	18,892	-	18,892
Direct write-off of receivables	917	-	917
Changes in operating assets and liabilities:			
Investments	-	(2,627)	(2,627)
Accounts receivable	(17,015)	(2)	(17,017)
Intergovernmental receivables	(370)	-	(370)
Inventories	78	-	78
Other assets	2,968	-	2,968
Due to/from other funds	19,691	-	19,691
Accounts payable	(7,782)	-	(7,782)
Accrued retirement and vacation	(6,180)	-	(6,180)
Intergovernment payable	1,455	-	1,455
Third party payors	(4,340)	-	(4,340)
Other accrued liabilities	(2,223)	43	(2,180)
Deferred revenue	<u>3,753</u>	<u>-</u>	<u>3,753</u>
Net cash provided (used) by operating activities	<u>(15,284)</u>	<u>3,130</u>	<u>(12,154)</u>
Cash flows from noncapital financing activities:			
Advances from grantors	3,699	-	3,699
Operating subsidy/transfers in (out)	<u>33,206</u>	<u>(2,642)</u>	<u>30,564</u>
Net cash provided (used) by noncapital financing activities	<u>36,905</u>	<u>(2,642)</u>	<u>34,263</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(38,216)	-	(38,216)
Proceeds from debt	184,496	-	184,496
Net payments received on loans receivable	146	-	146
Repayment of long-term debt	(191,372)	-	(191,372)
Payments on lease obligations	(122)	-	(122)
Other transfers	(600)	(9)	(609)
Acquisition of capital leases	<u>298</u>	<u>-</u>	<u>298</u>
Net cash provided (used) by capital and related financing activities	<u>(45,370)</u>	<u>(9)</u>	<u>(45,379)</u>
Increase (decrease) in cash and cash equivalents	(23,749)	479	(23,270)
Cash and cash equivalents, beginning of year	<u>134,638</u>	<u>3,104</u>	<u>137,742</u>
Cash and cash equivalents, end of year	\$ <u>110,889</u>	<u>3,583</u>	<u>114,472</u>

(Continued)

CITY OF BOSTON, MASSACHUSETTS
Combined Statement of Cash Flows - All Proprietary Fund Types and Nonexpendable Trust Funds
Year Ended June 30, 1993
(in thousands)

	PROPRIETARY FUND TYPE Enterprise Funds	FIDUCIARY FUND TYPE Nonexpendable Trusts	Total (Memorandum Only)
Supplemental disclosure of cash flow information:			
Cash paid for interest	\$ <u>17,004</u>	<u>-</u>	<u>17,004</u>
Noncash activities:			
Extraordinary loss, net (note 7)	\$ <u>22,808</u>	<u>-</u>	<u>22,808</u>
Net increase in grants/contracts receivable and deferred grants obligations	\$ <u>4,415</u>	<u>-</u>	<u>4,415</u>
Reduction of bonds payable through payments made by lessee under a direct financial lease	\$ <u>190</u>	<u>-</u>	<u>190</u>

See accompanying notes to general purpose financial statements.

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1993

(1) Summary of Significant Accounting Policies

The accounting policies followed in preparing the accompanying general purpose financial statements are as follows:

(a) Reporting Entity

The City's general purpose financial statements include the operations of all organizations for which the Mayor and City Council exercise oversight responsibility. Oversight responsibility is demonstrated by financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. Financial statements for all entities included in the general purpose financial statements are for the year ended June 30, 1993, except for the Boston Redevelopment Authority, which is for the year ended September 30, 1992; the Trustees of Health and Hospitals of the City of Boston, Inc. which is for the year ended June 30, 1992; and the State-Boston Retirement System, which is for the year ended December 31, 1992.

Based on the aforementioned oversight criteria, the operations of the following entities have been included in or excluded from the accompanying general purpose financial statements:

Entities included in the general purpose financial statements:

- (1) Boston Redevelopment Authority (BRA). The Mayor appoints four of the five Authority Board members and the BRA functions as the planning agency of the City. The geographical limits are the same as those of the City and the City has a residual interest in the net assets.
- (2) Economic Development Industrial Corporation (EDIC). The Mayor appoints all seven of the Corporation's Board members and designates areas of the City as economic development areas.

The EDIC and BRA Boards approved a Management Agreement on May 19, 1993 and May 27, 1993, respectively. The Management Agreement is for a term of three years, effective June 7, 1993, with either party having the option to terminate the Agreement within thirty (30) days. Under this Management Agreement, the BRA shall manage all projects related to the EDIC in the areas of Administration and Finance, Operations, Economic Development, Policy and Staff Operations, and Jobs and Community Services. In consideration for the services provided, the EDIC shall pay to the BRA a monthly management fee based on the time spent by BRA employees to manage EDIC projects and the out-of-pocket costs incurred by the BRA in accordance with established EDIC policies.

- (3) State-Boston Retirement System (SBRS). The SBRS is a defined benefit contributory retirement plan covering employees of the City and certain other entities. The City Auditor is an ex-officio member of the SBRS Board and the City is the largest employer in the System.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

- (4) Trustees of Health and Hospitals of the City of Boston, Inc. (THH). The THH provides grant and trust fund administration services to the Department of Health and Hospitals' programs. The Mayor appoints all members of the Board as well as the Chairman and Vice-Chairman.
- (5) Suffolk County. City operations include the County of Suffolk. Certain funds for the county are appropriated by the City Council as part of the annual general fund budget, and the City is ultimately responsible for any operating deficit. The County Sheriff and the Registrar of Deeds are elected officials.

Entities excluded from the general purpose financial statements:

- (1) Boston Housing Authority. Although the Mayor appoints the nine members of the Authority's Monitoring Committee and the City Council has confirmation powers over four of these members, the City is not directly or contingently liable for the Authority's operating or debt service expenses.
- (2) Boston Water and Sewer Commission. The Mayor appoints the Commission's Board members, but the City is not responsible for the Commission's debt or operating deficits.

(b) Basis of Presentation - Fund Accounting

The operations of the City are recorded in the following fund types and account groups:

Governmental Funds

Governmental funds are used to account for the City's expendable financial resources and related liabilities (except those accounted for in proprietary and similar trust funds). The measurement focus is upon determination of changes in financial position and the flow of current financial resources. The following are the City's governmental fund types.

General Fund - The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to specified purposes.

Debt Service Funds - Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Project Funds - Capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and similar trust funds).

Proprietary Funds

Proprietary funds are used to account for activities that are similar to those often found in the private sector. The measurement focus is upon determination of net income and capital maintenance (i.e., flow of economic resources).

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

Enterprise Funds - Enterprise funds are used to account for operations (a) that are financed primarily through user charges, or (b) where the governing body has decided that determination of net income is appropriate.

Fiduciary Funds

Trust and Agency Funds - Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent. Trust funds include expendable trust funds, nonexpendable trust funds, and pension trust funds. Nonexpendable trust funds and pension trust funds are reported in a manner similar to proprietary funds (i.e., flow of economic resources measurement focus and accrual basis of accounting). Expendable trust funds are reported in a manner similar to governmental funds (i.e., flow of financial resources measurement focus and modified accrual basis of accounting). Agency funds are custodial in nature and follow the modified accrual basis of accounting but are not concerned with the measurement of results of operations.

Account Groups

Account groups are a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the governmental funds because they do not affect net expendable available financial resources. The following are the City's account groups.

General Fixed Assets Account Group (GFAAG) - This account group is used to account for fixed assets, other than those accounted for in proprietary funds and similar trust funds.

General Long-Term Debt Account Group (GLTDAG) - This account group is used to account for all long-term obligations of the City, except those accounted for in proprietary and similar trust funds.

(c) Basis of Accounting

The modified accrual basis of accounting is followed by governmental funds, expendable trust funds, and agency funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., when they become both measurable and available to pay liabilities of the current period). Revenues not considered available are recorded as deferred revenues.

The City applies the susceptible to accrual criteria to property taxes and intergovernmental revenues. In applying the susceptible to accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, resources must be expended on the specific purpose or project before any amounts will be reimbursed to the City; therefore, revenues are recognized based upon the amount of expenditures incurred. In the other, resources are virtually unrestricted and are usually revocable by the grantor only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Property taxes are recognized as revenue in the year for which taxes have been levied, provided they are collected within 60 days after year-end. Motor vehicle and other excise, licenses and permits, fines and forfeitures, and miscellaneous revenues are recorded as revenues when received in cash because these amounts are generally not measurable until actually received. Investment earnings are recorded as earned.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

Expenditures are recorded when the liability is incurred except for (1) interest on general long-term obligations, which is recorded when due, and (2) the noncurrent portion of accrued judgments and claims, abatement refunds, pension costs and vacation and sick leave, which is recorded in the general long-term debt account group.

The accrual basis of accounting is used by proprietary funds, nonexpendable trust funds, and pension trust funds. Revenues are recognized when earned and expenses are recognized when goods or services have been received or a liability has been incurred.

(d) Cash Equivalents

For purposes of the statement of cash flows, the proprietary funds and nonexpendable trust funds consider investments with original maturities of three months or less when purchased to be cash equivalents.

(e) Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in governmental funds. Open encumbrances at year-end are reported as reservations of fund balance since they do not constitute expenditures or liabilities.

Certain unexpended and unencumbered appropriations for incomplete projects are carried over to succeeding years. Such continuing appropriations are accounted for similar to encumbrances. Other unencumbered appropriations lapse at year end.

(f) Inventory

Inventory of the proprietary funds is valued at the lower of cost (first-in, first-out), or market. Supplies and other inventoriable items in governmental funds are recorded as expenditures at the time they are purchased (purchase method), and no significant amount of inventory was on hand at June 30, 1993.

(g) Property, Plant and Equipment

Property, plant and equipment are stated at cost or estimated historical cost, except for general fixed assets' infrastructure which is not capitalized. Donated fixed assets are recorded at estimated fair market value at the date donated. Net interest cost in the proprietary funds is capitalized on projects during the construction period. The amount of interest cost incurred during the year was \$15.1 million of which \$5.4 million was capitalized. Depreciation of proprietary fund assets is provided using the straight-line method over estimated useful lives ranging from 15 to 40 years for buildings, 5 to 25 years for improvements other than buildings, and 4 to 25 years for equipment.

(h) Compensated Absences

Employees are granted vacation and sick leave in varying amounts. Upon retirement, termination or death, certain employees are compensated for unused vacation and sick leave (subject to certain limitations) at their then current rates of pay. The cost of vacation and sick leave for employees of proprietary funds is recorded as earned. For other funds, the liability related to unused sick and vacation time is recorded in the general long-term debt account group. The amount recorded is the unused days earned at the current rate of pay.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

(i) Arbitrage Rebate

Rebatable arbitrage earnings are calculated for the City by third parties and accounted for as a liability and a reduction of investment income in the general fund. At June 30, 1993, an accumulated arbitrage rebate liability of \$510,000 was recorded in the general fund.

(j) Self Insurance

The City is self insured in most areas of risk. This self insurance includes general liability, its vehicle fleet except for school buses, workers' compensation, unemployment compensation, and real property. In addition, the City self insures certain medical professionals employed by the Boston City Hospital (BCH or the Hospital) and the Department of Health and Hospitals for medical malpractice. The City's Corporation Counsel defends the City in any lawsuits that arise from the normal course of operations. Payments for the settlement of legal claims against the City are recorded as judgments and claims in the general fund.

The City's health insurance program, administered by the Health Insurance and Benefits Division of the Administrative Services Department, provides coverage to the City's employees and retirees through a number of Health Maintenance Organizations (HMOs) and Blue Cross - Blue Shield of Massachusetts (BC/BS). BC/BS acts as a third party agent for the City in the payment of the various claim plans used by the City. The City, employee, and retiree costs incurred for the operation of the BC/BS plans are accounted for in a separate health claims trust fund. Costs to the City for the HMOs are accounted for in the general fund as part of other employee benefits. The cost of post-employment health benefits to the City during 1993 was approximately \$25.4 million.

(k) Subsidy to the Department of Health and Hospitals

Subsidies provided by the City's general fund to the Department of Health and Hospitals (DHH) are based upon the modified accrual basis of accounting. The subsidy recorded by DHH is based on the full accrual basis except for property, plant and equipment and capital leases, which are accounted for on the modified accrual basis. The difference in the amounts of the subsidies is recorded in the general long-term debt account group.

(l) Net Patient Service Revenues

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

(m) Charity Care

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

(n) Third-Party Reimbursement

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

- Under the federal Medicare program, inpatient acute care services provided to Medicare program beneficiaries are paid at prospectively determined rates-per-discharge inclusive of capital-related expenses. These rates vary according to a patient classification system that is based on diagnostic, clinical and other factors. Outpatient services are reimbursed on a retrospective basis subject to various limits and reductions mandated by Medicare. The Hospital is reimbursed during the year for services to Medicare beneficiaries based on varying interim payment methodologies. Final settlement is determined after the submission of an annual cost report by the Hospital and subsequent audit of this report by the Medicare fiscal intermediary. Final settlements have been determined for all years through 1990.
- Payments for services to patients covered under the Commonwealth of Massachusetts Medicaid program and Blue Cross of Massachusetts are regulated under Chapter 495 of the Acts of 1992. Massachusetts hospital financing legislation Chapter 495 replaced Chapter 23, which expired on December 31, 1991.

Under Chapter 495, payments for services to Massachusetts Medicaid beneficiaries are based on a predetermined rate structure set by the Massachusetts Department of Public Welfare. Prior to Chapter 495, the Medicaid program was a discounted charge based payor.

Under Chapter 495, Blue Cross has the right to negotiate contracts with each individual hospital instead of entering into a master contract covering all Massachusetts acute care hospitals. In 1992, the Hospital and Blue Cross entered into a contract. Under the contract, inpatient acute-care services provided to Blue Cross subscribers are paid at a predetermined case mix adjusted rate-per-discharge. Outpatient services are reimbursed at a discount from established charges.

Provisions have been made in the general purpose financial statements for the estimated final settlements with third-party payors. The difference between the amount provided and the actual final settlement is recorded as an adjustment to net patient service revenue in the year the final settlement is determined.

A statewide pool exists to fund uncompensated care. Each hospital's allowable charges are adjusted to reflect statewide uncompensated care experience. Amounts are paid to or withdrawn from the pool based upon the relationship of an individual hospital's experience to the statewide averages. The Hospital has provided for its estimated final settlements with the uncompensated care pool.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

The Hospital has open settlements with the Commonwealth of Massachusetts Medicaid program for the years 1983 through 1991 and has made provisions in the general purpose financial statements for the estimated final settlements. However, for the years 1988 through 1991, a question still exists with respect to whether payments made by the Massachusetts Medicaid program were in excess of the reimbursements due under the federal upper limit requirements and whether the Hospital was entitled to an adjustment in its Medicaid payments for the extraordinary disproportionate share adjustment ("EDSA"), as outlined in the State Rate Setting Commission's (the "Commission") regulations. The amount of the federal upper limit adjustment and EDSA and their impact on Boston City Hospital are still in question. For the past several years, the Massachusetts Hospital Association ("MHA") has been legally contesting state actions and sued the Commission alleging improper implementation of the upper limit on Medicaid reimbursement to Massachusetts hospitals. During 1993, MHA and the Commission settled the lawsuit. With the settlement agreement, the Commission and a majority of hospitals agreed on a final liability amount. Some hospitals, including Boston City Hospital, did not sign the settlement agreement and continue to negotiate with the Commission.

At this time, it is uncertain as to the ultimate outcome of the negotiations with the Commission with respect to the federal upper limit. Furthermore, it is uncertain as to the ultimate realization of the EDSA from the Commonwealth of Massachusetts Medicaid program should the Commission's current federal upper limit liability estimates be upheld. The inability of the Hospital to realize the EDSA from the Medicaid program to help offset the potential liability of the federal upper limit liability would result in Boston City Hospital having a significant liability to the Medicaid program. However, favorable resolution of these issues could result in additional payments from the Medicaid program.

(o) Change in Accounting Principle

Beginning in fiscal 1992, the City recorded as revenue, on a budgetary basis, certain hospital receipts, including certain third-party reimbursement settlements for prior fiscal years, not received until after year-end. This treatment represented a change in the way in which the City recognizes such receipts from a cash to a modified accrual basis of accounting. This change resulted in additional revenue, on a budgetary basis, of approximately \$31 million in fiscal 1992.

(p) Tax Abatement Refund Claims

Certain tax abatement settlements have been renegotiated, resulting in a reduction in the previous obligation and an increase in the time period over which the new obligation is required to be paid. These settlements have been recorded in the general long-term debt account group. All other estimated tax abatement refunds have been recorded as a liability in the general fund.

(q) Reclassifications

Certain 1992 amounts have been reclassified to conform with the 1993 presentation.

(r) Total Columns

Total columns on the accompanying general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Such data are not comparable to a consolidation since interfund and other eliminations have not been made.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

(2) Budgetary Data

The general fund is the only fund for which a budget is legally adopted. The budgets for all departments included in the general fund of the City, except the School Department, are prepared under the direction of the Mayor and City Council. The School Department budget is prepared under the direction of the School Committee. Original and supplemental appropriations are submitted by the Mayor and approved by the City Council. The legal level of control over the budget is at the department level. All amendments to the original budget must be approved by the City Council, except for a reallocation of appropriations of up to \$3 million which the Mayor may approve. Supplemental appropriations for the year were approximately \$1.9 million.

The City must establish its property tax rate each year so that the resulting property tax levy will comply with the limits required by Proposition 2-1/2 (note 4). The tax levy must equal the sum of (a) the aggregate of all annual appropriations for expenditures; plus (b) the reserve accounts described in the following paragraph; plus (c) provision for the prior fiscal years' deficits, if any; less (d) the aggregate of all non-property tax revenues projected to be received by the City, including available funds, in amounts certified or approved by the Commonwealth of Massachusetts for tax rate purposes.

In accordance with the 1986 amendments to the Funding Loan Act of 1982, the City has established two reserve funds. The first is a budget reserve fund which is required to be funded in stages to a final level of 2-1/2% of the prior year's overall departmental appropriations, except the School Department, by the beginning of fiscal 1990. It is available to be applied to extraordinary and unforeseen expenditures. The second is a separate reserve fund of 1% to 2-1/2% of the current year appropriation of the School Department to be applied to overexpenditures in that department.

The City's general fund budget is prepared on a basis other than generally accepted accounting principles ("GAAP"). The "actual" results column in the Statement of Revenues and Expenditures - Budgetary Basis is presented on a "budget basis" to provide a meaningful comparison with the budget. The major differences between the budget and GAAP bases are that:

- (a) Real estate and personal property taxes are recorded as revenue when levied (budget), as opposed to when susceptible to accrual (GAAP);
- (b) Encumbrances and continuing appropriations are recorded as the equivalent of expenditures (budget), as opposed to a reservation of fund balance (GAAP);
- (c) Certain activities and transactions are presented in separate funds (GAAP), rather than as components of the general fund (budget);
- (d) Amounts raised for the prior years' deficits and available funds from prior years' surpluses are recorded as revenue items (budget), but have no effect on GAAP revenues; and
- (e) The subsidy to the DHH from the general fund is derived on a budget basis (budget), as opposed to a modified accrual basis (GAAP).

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

In addition, there are certain differences in classifications between revenues, expenditures and transfers.

The following reconciliation summarizes the differences between budgetary and GAAP basis accounting principles for the year ended June 30, 1993 (in thousands):

	<u>Revenue</u>	<u>Expenditures</u>	<u>Other financing sources (uses), net</u>	<u>Excess revenue and sources (expenditures and uses)</u>
As reported on a budgetary basis	\$ 1,305,037	1,302,494	-	2,543
Adjustments:				
Revenues to modified accrual basis	(2,206)	-	-	(2,206)
Prior years' available funds	(198)	-	-	(198)
General fund DHH subsidy to a modified accrual basis	-	-	7,319	7,319
Expenditures, encumbrances and accruals, net	-	(1,261)	-	1,261
Reclassifications:				
Health and Hospitals revenues and expenditures to an enterprise fund	(156,783)	(182,765)	(25,982)	-
Pension expenditure related to Health and Hospitals	-	(11,972)	(11,972)	-
Parking meter revenue and ex- penditures to a special revenue fund	(9,000)	(9,000)	-	-
Debt service expenditures to a debt service fund	-	(89,068)	(89,068)	-
State-funded teachers' retirement costs	(27,184)	(27,184)	-	-
Sale of property	(1,765)	-	1,765	-
Trust fund revenue to other financing sources	<u>(1,418)</u>	<u>-</u>	<u>1,418</u>	<u>-</u>
As reported on a GAAP basis	\$ <u>1,106,483</u>	<u>981,244</u>	<u>(116,520)</u>	<u>8,719</u>

(3) Cash and Investments

State and local statutes place certain limitations on the nature of deposits and investments available to the City. Deposits including demand deposits, money markets and certificates of deposit in any one financial institution may not exceed certain levels unless collateralized by the financial institution involved. Investments may be made in unconditionally guaranteed U.S. Government obligations having maturities of a year or less from the date of purchase, or through repurchase agreements with maturities no greater than 90 days in which the underlying securities consist of such obligations. Other allowable investments include authorized bonds of all states, bankers' acceptances, commercial paper rated within the three highest classifications established by rating agencies, and units in the Massachusetts Municipal Depository Trust ("MMDT").

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

The City's pension and certain other trust funds have additional investment powers, most notably the ability to invest in common stocks, corporate bonds, and other specified investments.

Deposits

The following summary presents the amount of City deposits at June 30, 1993 (SBRs deposits are presented as of December 31, 1992). Category 1 includes deposits which are fully insured or collateralized with securities held by the entity or its agent in the entity's name. Category 2 includes deposits that are collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name. Category 3 includes those deposits that are not collateralized (in thousands).

	Category			Total Bank Balance	Carrying Amount
	1	2	3		
Demand deposits	\$ 1,754	-	43,935	45,689	7,585
Money markets	4,002	4,804	61,271	70,077	69,854
Certificates of deposit	5,431	-	17,594	23,025	23,025
SBRs deposits, December 31, 1992	<u>328</u>	<u>-</u>	<u>63,891</u>	<u>64,219</u>	<u>59,951</u>
Total	\$ <u>11,515</u>	<u>4,804</u>	<u>186,691</u>	<u>203,010</u>	<u>160,415</u>

Investments

The City and SBRs categorize investments according to the level of risk assumed. Category 1 includes investments that are insured or registered or held by the entity or its agent in the entity's name. Category 2 includes uninsured and unregistered investments held by the counterparty's trust department or agent in the entity's name. Category 3 includes uninsured and unregistered investments held by the counterparty, or by its trust department or agent but not in the entity's name (in thousands).

	Category			Carrying Amount	Estimated Market Value
City of Boston - June 30, 1993	1	2	3		
Categorized:					
Repurchase agreements	\$ 49,740	72,000	53,616	\$ 175,356	175,356
U.S. Government obligations	288	22,824	78,331	101,443	103,267
U.S. Government agency obligations	2,655	-	106	2,761	2,761
Debt securities	-	13,629	6,140	19,769	21,564
Equity securities	-	26,614	6,581	33,195	43,063
Other investments	-	-	10,527	10,527	10,527
Total	\$ <u>52,683</u>	<u>135,067</u>	<u>155,301</u>	<u>343,051</u>	<u>356,538</u>
Not categorized:					
MMDT				<u>18,478</u>	<u>18,478</u>
				\$ <u>361,529</u>	<u>375,016</u>

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

SBRS - December 31, 1992	Category			Carrying	Estimated
	1	2	3	Amount	Market
Categorized:					Value
U.S. Government obligations	\$ -	133,719	-	\$ 133,719	133,719
U.S. Government agency obligations	-	55,715	-	55,715	55,715
Debt securities	-	167,693	-	167,693	167,693
Equity securities	-	694,049	-	694,049	694,049
Real estate	-	44,532	-	44,532	44,532
Totals	\$ -	<u>1,095,708</u>	-	<u>1,095,708</u>	<u>1,095,708</u>
Not categorized:					
MMDT				<u>118,836</u>	<u>118,836</u>
				<u>\$ 1,214,544</u>	<u>1,214,544</u>

Investments of the City's pension trust funds are presented in the accompanying general purpose financial statements at their estimated fair market value. All other investments are stated at cost or amortized cost, which approximates market.

The composition of the City's bank deposits and investments fluctuates depending primarily on the timing of real estate tax receipts, proceeds from borrowings, collection of state and federal aid, and capital outlays throughout the year.

(4) Property Taxes

Real and personal property taxes are based on values assessed as of each January 1. By law, all taxable property must be assessed at 100% of fair cash value. Once levied, these taxes are recorded as receivables, net of estimated uncollectibles. Property tax revenues have been recorded using the modified accrual basis of accounting, described in note 1(c).

The City bills and collects its property taxes on a quarterly basis following their January 1 assessment. The due dates for those quarterly tax billings are August 1, November 1, February 1, and May 1. Property taxes that remain unpaid after the respective due dates are subject to penalties and interest charges.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

Based on the City's experience, most property taxes are collected during the year in which they are assessed. Liening of properties on which taxes remain unpaid occurs annually. On November 10, 1993, all properties with unpaid fiscal 1993 property taxes were lienied. The City ultimately has the right to foreclose on all properties where the taxes remain unpaid.

A state-wide property tax limitation known as "Proposition 2-1/2" limits the amount of increase in the property tax levy in any fiscal year. Generally, Proposition 2-1/2 limits the total levy to an amount not greater than 2-1/2% of the total assessed value of all taxable property within the City. Secondly, the tax levy cannot increase by more than 2-1/2% of the prior year's levy plus the taxes on property newly added to the tax rolls. Certain provisions of Proposition 2-1/2 can be overridden by a City-wide referendum.

(5) Property, Plant and Equipment

Property, plant and equipment of the enterprise funds, by major category is as follows (in thousands):

	<u>DHH</u>				
	<u>Hospital Facilities</u>	<u>South Block Complex</u>	<u>THH</u>	<u>EDIC</u>	<u>Total</u>
Land	\$ 4,288	132	-	9,232	13,652
Buildings and leasehold improvements	119,342	18,471	-	27,626	165,439
Furniture and equipment	35,848	926	758	1,896	39,428
Construction in progress	<u>127,927</u>	<u>-</u>	<u>-</u>	<u>1,532</u>	<u>129,459</u>
	287,405	19,529	758	40,286	347,978
Less accumulated depreciation	<u>116,723</u>	<u>12,621</u>	<u>581</u>	<u>18,979</u>	<u>148,904</u>
	\$ <u>170,682</u>	<u>6,908</u>	<u>177</u>	<u>21,307</u>	<u>199,074</u>

The South Block Complex consists of residential apartments and parking for resident and hospital use.

The following is a summary of changes in the General Fixed Assets Account Group (in thousands):

	<u>Balance, June 30, 1992</u>	<u>Net Additions</u>	<u>Balance, June 30, 1993</u>
Land and buildings	\$ -	508,881	508,881
Furniture and fixtures	1,460	29,725	31,185
Vehicles and maintenance equipment	62	54,661	54,723
Machinery and equipment	<u>591</u>	<u>26,497</u>	<u>27,088</u>
	2,113	619,764	621,877
Less accumulated depreciation and amortization	<u>1,728</u>	<u>253</u>	<u>1,981</u>
General fixed assets, net	\$ <u>385</u>	<u>619,511</u>	<u>619,896</u>

During 1993, the City established a General Fixed Assets Account Group (GFAAG) as required by generally accepted accounting principles. Prior to 1993, only the fixed assets of the BRA had been presented in the GFAAG. The initial cost of the City's fixed assets are recorded as additions in the above summary of changes.

The fixed assets of the trust funds consist principally of land. No change in that balance occurred during 1993.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

On June 29, 1992, the City sold 20 acres of land to the Commonwealth of Massachusetts for \$44.1 million to be used in the construction of the Central Artery/Tunnel Project. The City received \$30 million on June 29, 1992 and the remaining \$14.1 million on July 7, 1993.

The City recorded all the receipts in the capital projects fund and transferred to general fund \$1.8 million and \$10 million in fiscal 1993 and fiscal 1992, respectively.

(6) Interfund Balances

Individual fund interfund receivable and payable balances at June 30, 1993, are as follows (in thousands):

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 58,154	3,503
Special revenue:		
BRA	2,232	-
Other	24	485
Debt service	1,636	-
Capital projects:		
BRA	-	1,998
Other	-	839
Enterprise:		
DHH	-	26,988
Trust and agency:		
BRS	122	-
City Funds	-	884
George Robert White Fund	-	457
Blue Cross	1,469	-
School Funds	-	1
BRA Agency Fund	378	612
General long-term debt account group	<u>-</u>	<u>28,248</u>
Balances at June 30, 1993	64,015	64,015
 SBRS at December 31, 1992	 7,848	 -
THH at June 30, 1992	<u>-</u>	<u>3,935</u>
 Balances in accompanying general purpose financial statements	 \$ <u>71,863</u>	 <u>67,950</u>

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

(7) General Long-Term Obligations

The following is a summary of bond and other long-term obligation transactions of the City for the year ended June 30, 1993 (in thousands):

	Interest Rates	Outstanding, Beginning of Year	Additions	Reductions	Outstanding, End of Year
General Obligation Refunding Bonds issued 2/1/93	3.0- 5.65%	\$ -	92,305	-	92,305
General Obligation Bonds issued 2/15/92	4.75-6.5%	70,715	-	7,905	62,810
General Obligation Refunding Bonds issued 5/15/91	5.5-10.0%	80,000	-	1,290	78,710
General Obligation Bonds issued 5/15/91	5.5-6.1%	16,155	-	-	16,155
General Obligation Bonds issued 1/1/90	6.25-7.375%	85,875	-	6,465	79,410
General Obligation Bonds issued 3/1/89	7.1-7.5%	59,095	-	17,590	41,505
General Obligation Bonds issued 7/7/88	6.4-7.3%	31,875	-	14,280	17,595
General Obligation Refunding Bonds issued 8/15/86	6.3-7.25%	55,475	-	29,325	26,150
General Obligation Bonds issued 4/15/86	6.3-7.2%	45,815	-	23,615	22,200
General Obligation Bonds issued 5/1/85	8.5-9.2%	16,850	-	3,590	13,260
General Obligation Bonds issued 5/1/84	9.6-9.9%	8,170	-	3,390	4,780
General Obligation Bonds issued 9/1/83	10.0-10.2%	5,990	-	2,995	2,995
General Obligation Bonds issued 3/1/77	7.25%	8,125	-	1,625	6,500
General Obligation Bonds issued 10/1/76	7.75%	6,745	-	1,690	5,055
General Obligation Bonds issued 3/1/76	9.50%	12,880	-	3,685	9,195
Bearer Bonds issued 6/1/64 through 6/1/80	0.25-8.0%	56,910	-	15,325	41,585
Rapid Transit, term maturities through 1995	2.25-3.0%	<u>5,520</u>	<u>-</u>	<u>1,250</u>	<u>4,270</u>
		<u>566,195</u>	<u>92,305</u>	<u>134,020</u>	<u>524,480</u>
Lease acquisition and refinancing, serial maturities through 1996 (note 8)	5% to 6.9%	16,590	5,785	7,490	14,885
BRA leases		253	-	142	111
Other long-term obligations, net:					
Tax abatement refunds		16,400	-	2,200	14,200
Judgments and claims		10,460	-	1,635	8,825
Sick and vacation		75,942	-	1,330	74,612
Retirement costs		376,102	-	77,609	298,493
Due to other funds		<u>34,866</u>	<u>-</u>	<u>6,618</u>	<u>28,248</u>
		\$ <u>1,096,808</u>	<u>98,090</u>	<u>231,044</u>	<u>963,854</u>

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

On June 30, 1993, the City issued \$187.7 million of bonds (Revenue Refunding Bonds - Boston City Hospital - FHA Insured Mortgage - Series B) dated June 1, 1993 with an average interest rate of 5.5% to advance refund \$169.3 million of other bonds (Revenue Bonds - Boston City Hospital - FHA Insured Mortgage - Series A) with an average interest rate of 7.5%. The transaction met the requirements of an "in-substance defeasance" as defined by generally accepted accounting principles, and resulted in an extraordinary loss of \$23 million and the elimination of the liability for the refunded bonds from the City's enterprise fund. Although an accounting loss was recognized, the City is expected to realize a reduction of \$13.3 million in future debt service payments and an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$5.8 million.

The refunded Series A bonds, dated November 15, 1990, were originally issued on December 20, 1990 to provide permanent financing for the construction and equipping of a new hospital inpatient facility and the renovation and consolidation of existing hospital facilities previously financed with bond anticipation notes (BANs). The principal and interest on the refunding Series B bonds is payable principally from payments to be made by the City to a trustee on a mortgage note insured by the United States Department of Housing and Urban Development and, in the event of default by the City, from Mortgage Insurance Benefits. The trustee, in turn, is responsible for the repayment of the bonds solely from the mortgage note payments, certain other funds held by the trustee and a \$21.5 million letter of credit held by the trustee. The mortgage note will be payable from all sources of revenue of the City, including revenues of BCH, subject to annual appropriation. The refunding Series B bonds do not constitute general obligations of the City. Additionally, neither the revenues of BCH nor any other revenues of the City are pledged for their repayment. The annual principal and interest payments under the mortgage note are as follows (in thousands):

Year ending June 30,

1994	\$ -
1995	4,172
1996	12,517
1997	12,517
1998	12,517
Thereafter	<u>250,716</u>
	292,439
Less:	
Interest	<u>139,381</u>
Principal	<u>\$ 153,058</u>

At June 30, 1993, approximately \$74 million of bond proceeds had been spent for construction costs in connection with the project. The main construction phase of the project is expected to be completed in early 1994. The remaining unspent proceeds are held with an outside trustee and are designated as Restricted Cash in the Enterprise Fund on the combined balance sheet.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

On February 1, 1993, the City issued \$92.3 million in General Obligation Bonds with an average interest rate of 5.1% to advance refund \$80.5 million of 1983, 1986, 1988, 1989, and 1992 Series bonds with an average interest rate of 7.4%. The refunded bonds were in-substance defeased and as a result, the liability for the refunded bonds has been removed from the general long-term debt account group. The transaction resulted in a reduction of \$1.7 million in debt service payments over the remaining lives of the bonds and an economic gain of \$3.2 million.

The following prior year transactions also met the requirements of an in-substance defeasance:

- On June 25, 1991, the City issued \$16.2 million in General Obligation Bonds, dated May 15, 1991, to advance refund \$14.3 million of 1980, 1984 and 1985 Series bonds.
- On August 28, 1986, the City issued \$58.5 million in General Obligation Bonds, dated August 15, 1986, to advance refund \$47.8 million of 1980, 1983, 1984 and 1985 Series bonds.

The principal amount of debt refunded through in-substance defeasance transactions and still outstanding at June 30, 1993 was \$300 million.

The annual debt service requirements of general obligation bonds outstanding as of June 30, 1993 are as follows (in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
1994	\$ 57,410	33,703	91,113
1995	50,740	29,852	80,592
1996	47,485	26,215	73,700
1997	42,210	23,048	65,258
1998	39,410	20,114	59,524
1999-2002	121,700	58,278	179,978
2003-2007	106,055	35,369	141,424
2008-2012	53,545	10,640	64,185
2013-2016	<u>5,925</u>	<u>193</u>	<u>6,118</u>
	\$ <u>524,480</u>	<u>237,412</u>	<u>761,892</u>

General obligation bonds are backed by the full faith and credit of the City. The Commonwealth of Massachusetts has approved school construction assistance, subject to annual appropriation by the State Legislature and reports filed with the Commonwealth by the City, to partially provide resources for future principal and interest requirements on general obligation school bonds of the City. In addition, the Boston Water and Sewer Commission ("BWSC") is required by its enabling legislation to reimburse the City for future principal and interest requirements on the general obligation water and sewer bonds. As of June 30, 1993, such resources expected to be provided to the City total \$146.8 million from the Commonwealth and \$780,000 from the BWSC.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

As of June 30, 1993, the City has \$4.7 million on deposit with the Board of Sinking Funds Commissioners for retirement of rapid transit general obligation bonds. The deposit is accounted for in the debt service fund. If payments by the Board from the sinking fund are not sufficient to fully provide for principal and interest on such debt as it becomes due, the City is entitled to receive direct payments from the Massachusetts Bay Transportation Authority ("MBTA") to the extent of any such deficiency.

The City is subject to a dual general debt limit; the normal debt limit and the double debt limit. Such limits are equal to 2-1/2% and 5%, respectively, of the valuation of taxable property in the City as last equalized by the State Department of Revenue. Debt may be authorized up to the normal debt limit without state approval. Authorizations under the double debt limit, however, require the approval of the Commonwealth's Emergency Finance Board. Additionally, there are many categories of general obligation debt which are exempt from the debt limit but are subject to other limitations.

As of June 30, 1993, the City may issue \$1.3 billion of additional general obligation debt under the dual level general debt limit. General obligation debt of \$246.7 million, subject to the double debt limit, and \$57.0 million, exempt from the debt limit, is authorized but unissued as of June 30, 1993.

The City pays assessments to the MBTA under formulas that include debt service payments (commonly referred to as overlapping debt). At June 30, 1993, the MBTA had \$210 million in long-term debt outstanding of which the City's estimated share was approximately 42.3%, or \$89 million.

(8) Leases

The City has entered into two master installment sale agreements. As of June 30, 1993, the amount financed under these arrangements totaled \$59.8 million, with \$14.9 million currently outstanding. The City's commitment under noncapitalized leases is not significant.

Future minimum payments under capital leases and installment sales as of June 30, 1993, are as follows (in thousands):

	GLTDAG		Enterprise		Total
	City	BRA	DHH	EDIC	
1994	\$ 7,062	80	915	147	8,204
1995	4,869	39	684	137	5,729
1996	2,653	-	493	5	3,151
1997	1,052	-	-	-	1,052
1998 and thereafter	349	-	-	-	349
Total minimum lease payments	15,985	119	2,092	289	18,485
Less amount representing interest	1,100	8	246	60	1,414
	\$ <u>14,885</u>	<u>111</u>	<u>1,846</u>	<u>229</u>	<u>17,071</u>

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

(9) Pension Plan

(a) Plan Description

The City provides retirement benefits to employees through a contributory retirement system administered by the State-Boston Retirement System (SBRS or System), a cost-sharing, multiple-employer public employee retirement system. Each participating employer's share of the total annual contribution is determined on the basis of active payroll. The payroll for employees covered in the System for the year ended June 30, 1993, was approximately \$707 million; the City's total payroll was approximately \$758 million. Because the City's participation in the System is so significant, certain disclosures required for single employer plans have been made.

The City also participates in the Boston Retirement System and made benefit payments of approximately \$8.2 million. Actuarial disclosures for this plan are not material.

The System is a contributory, defined-benefit plan covering all permanent full-time employees immediately upon the commencement of employment. Public school teachers are also members of the System. However, the cost of teachers' pension benefits is reimbursed by the Commonwealth of Massachusetts ("Commonwealth") directly to the City. The System is a member of the Massachusetts Contributory System and is governed by Chapter 32 of the Massachusetts General Laws. Membership in the System is mandatory immediately upon the commencement of employment for all permanent, full-time employees. The following is a breakdown of the membership of the SBRS at January 1, 1993:

Active employees	20,988
Pensioners and beneficiaries	13,305
Inactive employees with vested rights	<u>1,130</u>
	<u>35,423</u>

Members of the System become vested after 10 years of creditable service. A retirement allowance may be received upon reaching age 65 or upon attaining 20 years of service. The System also provides for early retirement at age 55 if the participant (1) has a record of 10 years of creditable service, (2) was on the City's payroll on January 1, 1978, (3) voluntarily left City employment on or after that date, and (4) left accumulated annuity deductions in the Fund. Active members contribute either 5, 7, or 8% of their gross regular compensation depending on the date upon which their membership began. In addition, members who joined the System after January 1, 1979, are required to contribute an additional 2% of regular compensation over \$30,000. The City is required to contribute the remaining amounts necessary to pay benefits when due.

(b) Funding Status and Progress

The amount shown below as the "Pension Benefit Obligation" for the System is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

status of the System on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the System.

The pension benefit obligation was computed as part of an actuarial valuation performed as of January 1, 1993 (which was updated as of June 30, 1993). Significant actuarial and other assumptions used in the valuation include (1) a rate of return on the investment of present and future assets of 10% a year compounded annually, (2) projected salary increases of 6% a year compounded annually, attributed to inflation, (3) no post-retirement benefit increases, and (4) removal of the \$30,000 compensation cap and other changes resulting from the adoption of Chapter 32, Section 22D.

The unfunded pension benefit obligation and the unfunded accumulated benefit obligation at June 30, 1993 are as follows (in thousands):

	<u>City</u>	<u>Other Entities*</u>	<u>Total</u>
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 977,937	33,714	1,011,651
Current employees:			
Accumulated employee contributions including investment earnings	584,136	28,924	613,060
Employer financed vested	287,358	14,166	301,524
Employer financed nonvested	139,619	5,955	145,574
Cost-of-living adjustments reimbursable by the Commonwealth	<u>246,368</u>	<u>9,537</u>	<u>255,905</u>
Total pension benefit obligation	2,235,418	92,296	2,327,714
Net assets available for benefits, at market	<u>1,293,618</u>	<u>59,901</u>	<u>1,353,519</u>
Unfunded pension benefit obligation	941,800	32,395	974,195
Less:			
Adjustment to reduce the unfunded pension benefit obligation for projected salary increases	134,899	5,625	140,524
Cost-of-living adjustments reimbursable by the Commonwealth	246,368	9,537	255,905
Estimated amounts to be reimbursed by the Commonwealth of Massachusetts for teachers, net of related assets	<u>242,025</u>	<u>-</u>	<u>242,025</u>
Unfunded accumulated benefit obligation	\$ <u>318,508</u>	<u>17,233</u>	<u>335,741</u>

* Not included in the general purpose financial statements.

The City has recorded \$298.5 million of the unfunded accumulated benefit obligation as a liability in the general long-term debt account group. The remaining \$20.0 million is recorded as a liability in the enterprise fund.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

(c) Contribution Requirements and Contributions Made

The System's funding policy is governed by Section 22D of Chapter 32. Accordingly, the minimum contribution through June 30, 1994, is an amount approximating the pension benefits expected to be paid during the year ("pay-as-you-go" method), as determined by the Public Employee Retirement Administration (PERA). Subsequent to June 30, 1994, the members of the System are required to fund an amount, each year, equal to the actuarially determined normal cost plus an amount to amortize the unfunded liability by June 30, 2020. Normal cost is based upon the entry age normal cost method and would increase each year but should remain relatively level as a percentage of payroll. The method used to amortize the unfunded liability results in an 4-1/2% increase in pension cost each year. The Commonwealth currently reimburses the System for the portion of benefit payments owing to cost-of-living increases granted after the implementation of Proposition 2-1/2. Also the Commonwealth reimburses the City for benefits paid to school teachers.

The City's contribution to the System for 1993 of \$112 million (16% of covered payroll), which included \$27 million for teachers and \$12 million for DHH, was made in accordance with the funding policy described above and represented approximately 90% of all employer contributions to the System.

(d) Trend Information

Trend information for the three years ended 1993, 1992 and 1991, respectively, is as follows: available assets were sufficient to fund 58%, 54% and 50% of the pension benefit obligation, respectively. Unfunded pension benefit obligation represented 138%, 154% and 159% of the annual payroll for employees covered by the System for 1993, 1992 and 1991, respectively. Contributions represent 16%, 16.9% and 17.5% of annual covered payroll for 1993, 1992 and 1991, respectively.

Ten year historical trend information presenting the System's progress in accumulating sufficient assets to pay benefits when due and revenues by source and expenses by type is presented in the City's separately issued comprehensive annual financial report (CAFR).

(10) Operating Transfers

Operating transfers constitute the transfer of resources from the fund that receives the resources to the fund that utilizes them. Operating transfers during the year were as follows (in thousands):

Purpose of transfer:	Transfers in (out)							
	General		Special	Debt	Capital	Enterprise	Trust Funds	
	1993	1992	Revenue	Service	Projects		Expendable	Nonexp.
DHH subsidy	\$ (24,017)	(34,836)		(3,099)	(5,606)	32,722	-	-
Amount transferred from long-term debt account group	(6,618)	(6,820)	-	-	-	-	-	-
	(30,635)	(41,656)						
Debt service	(89,068)	(85,758)	(204)	89,272	-	-	-	-
Capital projects	1,765	12,015	(1,683)	-	(82)	-	-	-
Trust funds	1,418	1,800	-	-	-	484	739	(2,641)
	\$ (116,520)	(113,599)	(1,887)	86,173	(5,688)	33,206	739	(2,641)

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

The operating transfers do not balance by \$6,618,000, the amount transferred from the general fund to reduce the liability to the DHH in the GLTDAG.

(11) Fund Deficits and Excess of Expenditures

The following funds had deficit equity balances at June 30, 1993 (in thousands):

Special revenue:

Building Loan Program	\$ 16,973
Jobs Bill Program	862
Housing Development Program	<u>97</u>
	<u>17,932</u>

Capital projects:

Trust fund	98
Chapter 90 Public Ways	<u>553</u>
	<u>651</u>

Enterprise:

Trustees of Health and Hospitals	<u>3,456</u>
	\$ <u>22,039</u>

The above deficits will be eliminated by future bond issuances, employee payroll withholdings, linkage payments, revenues from operations or City appropriations.

The City had expenditures in excess of their budgeted amounts for the year ended June 30, 1993 in the following categories (in thousands):

Public safety:	
Police	\$ 2,201
Public works:	
Snow removal	2,556
Property and development:	
Buildings division	136
Health and hospitals	1,965
County:	
Registry of Deeds	5
Judgments and claims	1,976
Other employee benefits:	
Workmen's compensation fund	1,069
State and district assessments:	
Special Education - Chapter 766	59
M.B.T.A. Assessments	<u>76</u>
	\$ <u>10,043</u>

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

Excess expenditures in public safety, health and hospitals, judgments and claims, and county are allowed under the budgetary laws governing the City. State and district assessments overexpenditure is due to the change in estimates of state assessments by the Commonwealth.

(12) Contingencies

The BRA is currently in default on a note payable for \$9.9 million to the General Services Administration (GSA) related to the acquisition of the Custom House Tower. The BRA has not made interest payments on the note since January 1991. Total unpaid interest and estimated penalties of \$1,905,750 and \$193,000, respectively, are included in accrued liabilities as of September 30, 1992. In addition, principal interest and penalties due under the note for fiscal 1993 have not been paid to the GSA. The BRA is attempting to resume negotiations with the GSA to restructure the terms of the note and to cure the default. Management of the BRA believes the restructuring of the note on the terms proposed by the BRA is necessary to resume negotiations with the designated developer and for the developer to obtain financing arrangements for the proposed Custom House Tower hotel complex. To the extent that the BRA cannot procure funding by the resale of the property and/or the GSA declares the note immediately due and payable, it is the opinion of the BRA's management and its outside counsel that it is probable that the City is ultimately responsible for the GSA debt under certain agreements between the BRA and the City. The ultimate outcome of the negotiations with the GSA, the finalization of financing arrangements related to the development of the Custom House Tower and the amount of financial resources to be received from the City related to this development cannot currently be determined.

There are numerous other pending matters and lawsuits in which the City is involved. The City attorneys estimate that the potential claims against the City not recorded in the accompanying general purpose financial statements resulting from such litigation would not materially affect the general purpose financial statements.

(13) Segment Information

The City maintains three enterprise funds for which segment information is presented below (in thousands):

	<u>DHH</u>	<u>THH</u>	<u>EDIC</u>	<u>Total</u>
Operating revenues	\$ 190,375	63,495	27,043	280,913
Depreciation expense	9,478	59	1,245	10,782
Operating income (loss)	(32,864)	(3,600)	554	(35,910)
Operating transfers	32,722	484	-	33,206
Income (loss) before extraordinary loss	(142)	(3,116)	554	(2,704)
Extraordinary loss	(22,808)	-	-	(22,808)
Net income (loss)	(22,950)	(3,116)	554	(25,512)
Property, plant and equipment additions	36,390	71	1,755	38,216
Total assets	338,401	17,481	56,903	412,785
Bonds payable	184,496	-	26,658	211,154
Total equity	63,719	(3,456)	6,717	66,980
Net working capital	98,570	(3,633)	4,123	99,060

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

(14) Special Termination Benefits

On July 16, 1993, the City Council adopted the state's early retirement incentive (ERI) program for teachers and administrators authorized by the Commonwealth of Massachusetts new Education Reform Act. Under the plan, teachers will be credited with an additional five years of service or age or a combination of both. For the City's program, the state will pay 50% of the total cost of the pensions for the retirees and the School Department will pay the additional costs over a 16 year period.

Approximately 250 employees elected to participate in this program. Eligible employees who elected to participate in the program are entitled to receive pension, health care, life and medical benefits. The costs of these benefits are recorded on a "pay-as-you-go" basis.

GENERAL FUND

The general fund is the operating fund of the city. It is used to account for all revenues, expenditures and other financial resources except those required to be accounted for in other funds.

Exhibit A - 1

GENERAL FUND

Schedule of Revenues and Other Financing Sources Compared to Budget (Non - GAAP)
Year Ended June 30, 1993

<u>Classification</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1992 Actual</u>
PROPERTY TAXES					
Real and Personal Property Taxes	\$ 590,655,853	\$ 590,655,853	\$ 590,662,528	\$ 6,675	\$ 555,491,500
Revenue class total	590,655,853	590,655,853	590,662,528	6,675	555,491,500
MOTOR VEHICLE EXCISE					
Motor Vehicle Excise - Current	23,700,000	23,700,000	26,046,158	2,346,158	13,649,080
Motor Vehicle Excise - Prior Years	-	-	3,986,694	3,986,694	5,257,580
Boat Excise - Current	22,000	22,000	21,310	(690)	14,963
Boat Excise - Prior Years	-	-	(65)	(65)	4
Revenue class total	23,722,000	23,722,000	30,054,098	6,332,098	18,921,628
OTHER EXCISE TAXES					
Hotel / Motel Room Excise	13,000,000	13,000,000	14,063,809	1,063,809	12,945,011
Aircraft Fuel Excise	11,700,000	11,700,000	11,387,205	(312,795)	11,571,344
Condominium Con. Excise	40,000	40,000	65,000	25,000	50,500
Urban Redevelopment Ch.121A	23,700,000	23,700,000	27,641,033	3,941,033	32,195,733
County Deeds Excise Fund	-	-	27,312	27,312	-
Revenue class total	48,440,000	48,440,000	53,184,359	4,744,359	56,762,588

Exhibit A-1 (continued)

GENERAL FUND

Schedule of Revenues and Other Financing Sources Compared to Budget (Non-GAAP)
Year Ended June 30, 1993

Classification	Original Budget	Final Budget	Actual	Variance	
				Favorable (Unfavorable)	1992 Actual
COMMONWEALTH OF MASSACHUSETTS					
State Owned Lands	280,594	280,594	280,048	(546)	-
R.E. Abatements - Elderly	38,413	38,413	49,845	11,432	38,413
R.E. Abatements - Other	275,671	275,671	264,150	(11,521)	264,150
R.E. Abatements - Blind	28,613	28,613	28,788	175	28,613
Elderly Exemptions 1977 Chapter 967	1,138,206	1,138,206	1,056,500	(81,706)	1,138,206
State Lottery Local Aid	27,232,544	27,232,544	27,232,544	-	25,328,750
Highways - Local Aid	828,848	828,848	828,848	-	1,516,244
Veterans Services - Local Aid	1,397,000	1,397,000	900,350	(496,650)	1,702,552
Pensions - Retired Teachers	27,184,374	27,184,374	27,184,374	-	26,410,734
Local Aid - Add'l Assistance Chapter 36	206,638,214	206,638,214	206,638,214	-	206,638,214
County Jail Grant	-	-	-	-	21,586,962
Racing Taxes	350,000	350,000	360,827	10,827	-
School Construction - State	13,452,981	13,452,981	13,285,197	(167,784)	13,322,452
School Aid Chapter 70	44,963,846	44,963,846	44,990,828	26,982	44,963,846
Transportation of Pupils	10,225,908	10,225,908	9,992,164	(233,744)	10,164,524
Revenue class total	334,035,212	334,035,212	333,092,678	(942,534)	353,103,660
HEALTH AND HOSPITALS					
Boston City Hospital	151,000,000	151,000,000	146,751,632	(4,248,368)	156,735,563
Long Island Hospital	-	-	-	-	1,709,522

Exhibit A - 1 (continued)

GENERAL FUND

Schedule of Revenues and Other Financing Sources Compared to Budget (Non-GAAP)
Year Ended June 30, 1993

<u>Classification</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1992 Actual</u>
Mattapan Hospital	7,000,000	7,000,000	8,031,703	1,031,703	9,766,743
Revenue class total	158,000,000	158,000,000	154,783,336	(3,216,664)	168,211,828
DEPARTMENTAL & OTHER REVENUE					
Penalties & Interest - Property Taxes	1,200,000	1,200,000	1,640,002	440,002	1,452,513
Penalties & Interest - Motor Vehicle	900,000	900,000	2,913,381	2,013,381	980,446
Penalties & Interest - Sidewalk	-	-	38	38	19
Penalties & Interest - Tax Title	3,300,000	3,300,000	4,191,787	891,787	3,382,069
Penalties & Interest - Street Assessments	-	-	14	14	(619)
Penalties & Interest - Boat Excise	-	-	50	50	13
Purchasing Services	100,000	100,000	21,771	(78,229)	315,739
Recording of Legal Instruments	180	180	302	122	206
Registry Division Fees	820,000	820,000	801,253	(18,747)	807,360
City Record Sale of Publications	50,000	50,000	64,084	14,084	41,033
Assessing Fees	15,000	15,000	25,942	10,942	59,252
Liens	550,000	550,000	662,380	112,380	564,100
City Clerk Fees	300,000	300,000	347,084	47,084	301,992
Election Fees	130,000	130,000	132,035	2,035	73,674
Rent Equity Fees	950,000	950,000	993,866	43,866	534,451
Public Health Support Payments	2,000,000	2,000,000	2,000,001	1	-
City Council Sale of Publications	500	500	930	430	813
Other General Services	20,000	20,000	22,820	2,820	31,519

Exhibit A-1 (continued)

GENERAL FUND

Schedule of Revenues and Other Financing Sources Compared to Budget (Non-GAAP)
Year Ended June 30, 1993

<u>Classification</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>		<u>1992 Actual</u>
			<u>Favorable</u>	<u>(Unfavorable)</u>	
Police Services	550,000	550,000	601,257	51,257	618,089
Fire Services	1,350,000	1,350,000	1,491,147	141,147	1,333,620
Civil Defense	40,000	40,000	-	(40,000)	31,135
Parking Facilities	1,391,350	1,391,350	1,316,724	(74,626)	3,129,402
Street, Sidewalk and Curb Repairs	1,800,000	1,800,000	2,994,355	1,194,355	5,396,917
Real Property - Rents	36,000	36,000	71,745	35,745	44,150
Demolition of Abandoned Structures	10,000	10,000	7,737	(2,263)	223,382
Building - Rents	141,550	141,550	123,838	(17,712)	125,774
Damage to City Property	20,000	20,000	8,779	(11,221)	85,350
Other Revenues - Public Facilities	15,000	15,000	3,943	(11,057)	22,748
Concessions - Parks	-	-	974	974	5,022
Miscellaneous - Parks	9,000	9,000	6,650	(2,350)	4,200
Veterans Services	100,000	100,000	52,925	(47,075)	74,211
Public Works - Other Charges	4,000	4,000	2,513	(1,487)	2,670
Tuition and Transportation - Schools	500,000	500,000	509,106	9,106	617,484
Miscellaneous Receipts - Schools	20,000	20,000	21,729	1,729	14,267
Library Fees	150,000	150,000	136,042	(13,958)	164,687
Library - Trustees	-	-	17	17	-
Library of Last Recourse	633,041	2,502,117	2,502,116	(1)	1,903,389
Registry of Deeds	1,400,000	1,400,000	1,611,936	211,936	1,849,864
Telephone Commissions - Court House	-	-	1,426	1,426	-
Telephone Commissions - Jail	45,000	45,000	26,914	(18,086)	48,162
New Court House Trial Court Space Rental	1,145,082	1,145,082	-	(1,145,082)	-

Exhibit A - 1 (continued)

GENERAL FUND

Schedule of Revenues and Other Financing Sources Compared to Budget (Non - GAAP)
Year Ended June 30, 1993

<u>Classification</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1992 Actual</u>
Telephone Commissions - Real Property	200,000	200,000	107,883	(92,117)	286,428
Insurance Proceeds	40,000	40,000	38,851	(1,149)	26,397
City Workmens Comp. Reimbursement	1,450,000	1,450,000	1,135,513	(314,487)	1,297,640
Settlements - Water/Sewer	200,000	200,000	523,144	323,144	544,430
Fringe Reimbursements	-	-	11,460	11,460	-
Pensions and Annuities	2,200,000	2,200,000	3,125,036	925,036	1,570,360
Fringe and Indirect	700,000	700,000	928,719	228,719	449,331
Private Detail Payroll	-	-	-	0	3,466
Fire Department Special Detail	45,000	45,000	27,010	(17,990)	46,331
Sale of Real Estate	-	-	448	448	2,500
Discount Taken	-	-	-	0	147
Prior Year Reimbursements	1,000,000	1,000,000	1,053,953	53,953	1,677,952
Tellers Adjustments	-	-	(1,032)	(1,032)	(1,013)
Miscellaneous Refunds	124,000	124,000	49,670	(74,330)	71,942
Miscellaneous Collections	25,000	25,000	17,855	(7,145)	19,421
Child Support Reimbursement	40,000	40,000	37,387	(2,613)	29,721
Miscellaneous - Treasury	1,000	1,000	(81,954)	(82,954)	(690,114)
Paid Detail - Administrative Fees	1,500,000	1,500,000	1,611,585	111,585	1,565,313
Public Facilities - Administrative Fees	3,000	3,000	9,977	6,977	-
Revenue class total	27,223,703	29,092,779	33,905,118	4,812,339	31,139,355

Exhibit A - 1 (continued)

GENERAL FUND

Schedule of Revenues and Other Financing Sources Compared to Budget (Non - GAAP)
Year Ended June 30, 1993

<u>Classification</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	
				<u>Favorable (Unfavorable)</u>	<u>1992 Actual</u>
FINES					
Parking Fines	48,500,000	48,500,000	17,627,499	(30,872,501)	17,669,028
Mail Collection of Parking fines	-	-	30,063,247	30,063,247	29,185,773
Superior Criminal Court	100	100	5,050	4,950	905
Municipal Criminal Court	36,000	36,000	44,378	8,378	192,437
Municipal Civil Court	1,662,000	1,662,000	1,950,431	288,431	558,591
East Boston District Court	37,800	37,800	58,685	20,885	118,310
Brighton District Court	65,000	65,000	71,167	6,167	230,317
Charlestown District Court	1,400	1,400	2,470	1,070	22,299
Dorchester District Court	60,000	60,000	55,340	(4,660)	210,512
Roxbury District Court	45,000	45,000	43,310	(1,690)	271,023
South Boston District Court	30,000	30,000	38,723	8,723	89,153
West Roxbury District Court	31,000	31,000	38,100	7,100	175,356
ISD - Board of Appeals	-	-	484	484	-
House of Correction - Regular	-	-	-	-	657
Code Enforcement	200,000	200,000	141,140	(58,860)	201,858
Revenue class total	50,668,300	50,668,300	50,140,022	(528,278)	48,926,216
PAYMENTS IN LIEU OF TAXES					
Boston College	99,939	99,939	100,000	61	73,640
New England Deaconess Hospital	42,000	42,000	42,000	-	42,000
New England Medical Center Hospital	290,000	290,000	350,673	60,673	319,679

Exhibit A-1 (continued)

GENERAL FUND

Schedule of Revenues and Other Financing Sources Compared to Budget (Non - GAAP)
Year Ended June 30, 1993

<u>Classification</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1992 Actual</u>
Digital Equipment	42,800	42,800	42,800	-	42,800
Blue Cross / Blue Shield	475,000	475,000	430,717	(44,283)	456,652
Old City Hall	475,000	475,000	542,793	67,793	494,528
Boston University	300,000	300,000	347,386	47,386	331,386
Urban Redevelopment Chapter 121A	7,500,000	7,500,000	8,395,959	895,959	19,370,871
Miscellaneous	10,845	10,845	14,380	3,535	10,714
Mass Port Authority	6,017,739	6,017,739	6,017,739	-	6,017,739
Sale of Property - Special Tax	11,000	11,000	65,824	54,824	64,124
Comm. of Mass - Special Taxes	-	-	13,199	13,199	-
Berkeley School	189,466	189,466	153,206	(36,260)	152,757
Trimount Foundation	14,800	14,800	14,800	-	14,800
Harvard Community Health Plan	265,000	265,000	205,679	(59,321)	266,676
Hood Milk	355,992	355,992	248,750	(107,242)	321,726
Mass General Hospital	1,263,590	1,263,590	1,158,975	(104,615)	1,613,064
Harvard University	1,000,000	1,000,000	989,312	(10,688)	952,496
Suffolk University	30,000	30,000	45,248	15,248	42,392
Simmons College	15,000	15,000	15,000	-	15,000
Northeastern University	105,571	105,571	105,571	(1)	105,570
New England Nursing Home	56,000	56,000	56,000	-	56,000
New England School of Law	13,125	13,125	13,125	-	13,125
Brighams and Womens Hospital	494,806	494,806	494,806	-	464,938
Tufts University	14,479	14,479	14,479	-	14,123
Section 2C	50,000	50,000	1,154,200	1,104,200	52,431

Exhibit A-1 (continued)

GENERAL FUND

Schedule of Revenues and Other Financing Sources Compared to Budget (Non-GAAP)
Year Ended June 30, 1993

<u>Classification</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	
				<u>Favorable (Unfavorable)</u>	<u>1992 Actual</u>
University Hospital	90,000	90,000	59,426	(30,574)	46,600
Museum of Fine Arts	470,580	470,580	382,187	(88,393)	400,253
Revenue class total	19,692,732	19,692,732	21,474,233	1,781,501	31,756,085
INVESTMENT INCOME					
Interest on Investments	10,400,000	10,400,000	8,507,281	(1,892,719)	10,609,927
Revenue class total	10,400,000	10,400,000	8,507,281	(1,892,719)	10,609,927
LICENSES AND PERMITS					
Building Structures and Permits	7,000,000	7,000,000	8,832,324	1,832,324	9,136,208
Weights and Measures	150,000	150,000	148,416	(1,584)	161,999
Street and Curb Permits	1,300,000	1,300,000	1,019,634	(280,366)	993,157
Health Inspections	800,000	800,000	880,541	80,541	1,218,093
Alcoholic Beverages Licenses	2,100,000	2,100,000	2,136,600	36,600	2,080,247
Entertainment Licenses	425,000	425,000	433,730	8,730	439,412
Police and Protective Permits	360,000	360,000	473,013	113,013	362,861
Professional & Occupational Licenses	100,000	100,000	97,805	(2,195)	99,560
Other Business Licenses and Permits	700,000	700,000	786,070	86,070	777,924
Cable Television	1,540,000	1,540,000	1,443,112	(96,888)	685,229
Burial Permits	80,000	80,000	101,450	21,450	101,930
Revenue class total	14,555,000	14,555,000	16,352,695	1,797,695	16,056,620

Exhibit A - 1 (continued)

GENERAL FUND

Schedule of Revenues and Other Financing Sources Compared to Budget (Non - GAAP)
Year Ended June 30, 1993

<u>Classification</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1992 Actual</u>
SALE OF PROPERTY					
Sale of City Property	13,264,844	13,264,844	2,264,844	(11,000,000)	12,515,950
Revenue class total	<u>13,264,844</u>	<u>13,264,844</u>	<u>2,264,844</u>	<u>(11,000,000)</u>	<u>12,515,950</u>
TRANSFERS FROM OTHER FUNDS					
Appropriated Cemetery Trustee	1,418,076	1,418,076	1,418,076	-	1,800,000
Appropriated Parking Meter Receipts	9,000,000	9,000,000	9,000,000	-	8,000,000
Other Available Funds	661,765	661,765	197,871	(463,894)	-
Revenue class total	<u>11,079,841</u>	<u>11,079,841</u>	<u>10,615,947</u>	<u>(463,894)</u>	<u>9,800,000</u>
OTHER AVAILABLE FUNDS					
Appropriated Fund Balance - "Free Cash"	-	-	-	-	10,906,620
Revenue class total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,906,620</u>
Total Revenues and Other Financing Sources	<u>1,301,737,485</u>	<u>1,303,606,561</u>	<u>1,305,037,138</u>	<u>1,430,577</u>	<u>1,324,201,977</u>

Exhibit A - 2

GENERAL FUND

Schedule of Expenditures, Encumbrances and Other Financing Uses Compared to Budget (Non - GAAP)
Year Ended June 30, 1993

City of Boston, Massachusetts

GENERAL GOVERNMENT						
Mayor's Office	\$	830,000	\$	830,000	\$	761,235
City Council		2,405,670		2,470,670		2,287,106
Consumer Affairs and Licensing		286,165		286,165		274,194
Office of Safe Neighborhoods		310,000		310,000		-
Election Department – Election Division		2,150,000		2,416,290		2,364,172
Election Department – Listing Board		100,000		358,710		70,000
Auditing Department		1,317,650		1,317,650		1,301,982
Assessing Department		4,630,000		4,740,000		4,770,463
Treasury Department – Collecting Division		2,185,000		2,185,000		2,088,897
Treasury Department – Treasury Division		945,000		945,000		975,042
Budget/Program Evaluation		1,618,000		1,870,500		1,614,744
Personnel Management		1,053,614		1,058,614		1,181,545
Purchasing Division		808,665		808,665		843,096
Printing Division		1,295,726		1,305,726		1,355,949
Labor Relations		348,080		373,080		358,351
Management Information System		6,000,075		6,000,075		6,548,032
Intergovernmental Relations		610,400		656,400		619,202
Law Department		3,153,650		3,393,650		2,990,107
Major Vendor Clearing Account		-		-		173,010
SPO Intelepath Centrex		-		-		42,239

Exhibit A-2 (continued)

GENERAL FUND

Schedule of Expenditures, Encumbrances and Other Financing Uses Compared to Budget (Non-GAAP)
Year Ended June 30, 1993

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	1992 Actual
Worker's Compensation Division	363,254	381,254	376,221	5,033	290,070
Minority/Womens Business	200,664	200,664	198,043	2,621	170,779
City Clerk	535,300	547,300	544,745	2,555	524,764
Registry Division	615,235	615,235	608,053	7,182	630,270
Management Fund	220,000	220,000	220,000	-	-
Finance Commission	125,470	125,470	125,450	20	127,371
Transportation Central Artery Tunnel	1,764,844	1,409,844	1,277,944	131,900	-
Boards and Commissions	748,094	748,094	711,878	36,216	758,471
Policy Office	-	-	-	-	373,656
Fair Housing Commission	217,947	217,947	207,027	10,920	217,859
Press Office	138,500	150,000	125,575	24,425	144,750
Neighborhood Services	906,775	906,775	848,107	58,668	911,313
Business and Cultural Development	685,958	865,958	861,086	4,872	755,723
Capital Planning	-	-	-	-	256,789
Costs of Issuance - Rans	350,000	350,000	320,592	29,408	273,556
Annual Audit Costs	550,000	550,000	522,210	27,790	539,000
Activity Total	37,469,736	38,614,736	37,029,325	1,585,411	36,593,737
HUMAN SERVICES					
Rent Equity Board	1,140,000	1,140,000	1,129,079	10,921	1,172,164

Exhibit A - 2 (continued)

GENERAL FUND

Schedule of Expenditures, Encumbrances and Other Financing Uses Compared to Budget (Non - GAAP)
Year Ended June 30, 1993

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	1992 Actual
Elderly Commission	1,637,599	1,637,599	1,556,454	81,145	1,745,910
Veterans Services Department	2,500,545	2,500,545	2,254,349	246,196	2,481,271
Activity Total	5,278,144	5,278,144	4,939,882	338,262	5,399,345
PUBLIC SAFETY					
Police Department	125,340,042	125,340,042	127,540,732	(2,200,690)	126,426,530
Fire Department	83,271,500	83,271,500	83,004,476	267,024	84,544,142
Transportation - Traffic Division	14,069,223	14,239,223	14,189,582	49,641	14,240,719
Transportation - Parking Clerk	7,275,527	7,460,527	7,348,607	111,920	7,387,222
Licensing Board	425,000	425,000	405,605	19,395	420,158
Inspectional Services Department	8,303,430	8,303,430	8,240,416	63,014	8,377,692
Youth Fund	3,750,000	3,750,000	3,747,834	2,166	4,275,000
Activity Total	242,434,722	242,789,722	244,477,253	(1,687,531)	245,671,463
PUBLIC WORKS					
Public Works Department	49,825,000	50,225,000	49,748,263	476,737	50,443,203
Snow Removal	2,250,000	2,250,000	4,805,738	(2,555,738)	1,416,823
Activity Total	52,075,000	52,475,000	54,554,000	(2,079,000)	51,860,026

Exhibit A - 2 (continued)

GENERAL FUND

Schedule of Expenditures, Encumbrances and Other Financing Uses Compared to Budget (Non - GAAP)
Year Ended June 30, 1993

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	1992 Actual
PROPERTY AND DEVELOPMENT					
Real Property - Administration	484,727	484,727	483,809	918	492,092
Real Property - Building Division	4,580,646	4,825,646	4,961,439	(135,793)	4,735,483
Real Property - Property Division	870,727	935,727	926,446	9,281	873,746
Public Facilities Department	7,150,269	7,150,269	7,148,294	1,975	6,877,732
PFD - Community Schools Division	8,395,000	8,395,000	8,203,357	191,643	8,725,136
Activity Total	21,481,369	21,791,369	21,723,345	68,024	21,704,189
PARKS AND RECREATION					
Parks and Recreation Department	8,841,750	8,841,750	8,794,555	47,195	9,545,392
Cemetery Division	1,418,076	1,418,076	1,343,921	74,155	1,718,155
Activity Total	10,259,826	10,259,826	10,138,475	121,351	11,263,547
LIBRARY					
Library Department	19,133,041	21,002,117	20,998,404	3,713	20,594,047
Activity Total	19,133,041	21,002,117	20,998,404	3,713	20,594,047
SCHOOLS					
General School Purposes	374,000,000	374,000,000	373,982,804	17,196	381,961,878
Activity Total	374,000,000	374,000,000	373,982,804	17,196	381,961,878

Exhibit A-2 (continued)

GENERAL FUND

Schedule of Expenditures, Encumbrances and Other Financing Uses Compared to Budget (Non-GAAP)
Year Ended June 30, 1993

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	1992 Actual
HEALTH AND HOSPITALS					
Health and Hospitals Department	180,800,000	180,800,000	182,765,321	(1,965,321)	183,045,036
Activity Total	180,800,000	180,800,000	182,765,321	(1,965,321)	183,045,036
COUNTY					
Registry of Deeds	1,500,000	1,500,000	1,505,275	(5,275)	1,527,671
Suffolk County Jail	4,438,038	4,438,038	4,438,038	-	14,303,458
Penal Department	4,500,000	4,500,000	4,500,000	-	16,362,094
Activity Total	10,438,038	10,438,038	10,443,313	(5,275)	32,193,223
JUDGEMENTS AND CLAIMS					
Execution of Courts	6,000,000	6,000,000	7,976,337	(1,976,337)	10,233,521
Activity Total	6,000,000	6,000,000	7,976,337	(1,976,337)	10,233,521
EMPLOYEE BENEFITS					
Medicare Payments	1,450,000	1,450,000	1,342,461	107,539	1,446,690
Health Benefits and Insurance	68,000,000	67,996,000	63,022,726	4,973,274	61,922,737

Exhibit A - 2 (continued)

GENERAL FUND

Schedule of Expenditures, Encumbrances and Other Financing Uses Compared to Budget (Non - GAAP)
Year Ended June 30, 1993

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	1992 Actual
Retirement Board	1,076,634	1,076,634	1,076,634	-	1,129,615
Workmens Compensation Fund	2,750,000	2,750,000	3,818,663	(1,068,663)	4,391,449
Activity Total	73,276,634	73,272,634	69,260,484	4,012,150	68,890,491
PENSION COSTS					
Unemployment Compensation	50,000	50,000	(286)	50,286	49,015
Pensions and Annuities - City	8,000,000	7,820,000	7,369,559	450,441	6,926,997
Pensions and Annuities - County	650,000	650,000	592,831	57,169	679,565
State - Boston Retirement System	112,011,587	112,011,587	112,011,587	-	106,324,929
Activity Total	120,711,587	120,531,587	119,973,690	557,897	113,980,506

STATE & DISTRICT ASSESSMENTS

State Exam of Retirement	233,765	233,765	233,764	1	245,886
Health Insurance/Retirement	1,138,704	1,138,704	893,976	244,728	1,144,773
Parking Surcharge	1,950,980	1,950,980	1,813,160	137,820	-
Mosquito Control Projects	136,423	136,423	131,371	5,052	136,420
Special Education Chapter 766	290,133	290,133	349,258	(59,125)	400,403
Suffolk County Extension Service	3863	3863	3,863	-	3,863
Metropolitan Air Pollution Center	114,135	114,135	114,135	-	112,957
Metropolitan Area Planning	119,085	119,085	119,085	-	117,994

Exhibit A - 2 (continued)

GENERAL FUND

Schedule of Expenditures, Encumbrances and Other Financing Uses Compared to Budget (Non - GAAP)
Year Ended June 30, 1993

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	1992 Actual
M.B.T.A. Assessments	51,416,260	51,416,260	51,493,795	(77,535)	50,234,327
M.D.C. Assessments	10,848	10,848	10,848	-	10,848
Activity Total	55,414,196	55,414,196	55,163,255	250,941	52,407,470
DEBT REQUIREMENTS					
Redemption of City Loans	51,955,000	51,955,000	51,955,000	-	50,940,000
City Debt and Interest payments	38,010,192	38,010,192	37,113,906	896,286	34,818,273
Interest on Temporary Loans	3,000,000	974,000	-	974,000	-
Activity Total	92,965,192	90,939,192	89,068,906	1,870,286	85,758,273
Total Expenditures	\$ 1,301,737,485	\$ 1,303,606,561	\$ 1,302,494,794	\$ 1,111,767	\$ 1,321,556,749



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SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources, other than debt service, trust funds or capital projects, that are legally restricted for specific purposes.

City Fund accounts for a number of small federal and state grants administered by the City's individual departments. These funds provide additional support to department programs.

Revolving Loans Fund accounts for funds that are set aside, generally by state statute, that are used to support the City's general fund operations. These funds are directly linked to a specific activity and are available without further City Council appropriation.

Boston Public Schools accounts for funds provided by the U.S. Department of Education and the Commonwealth's Department of Education for the Boston Public Schools. These funds directly support a number of educational programs for the City's residents.

Home Bill Program are funds used to support housing, commercial development and social service programs in City neighborhoods.

Community Development Block Grants are funds from the U.S. Department of Housing and Urban Development (HUD) through the Community Development Block Grant program. These funds are used to support eligible community development and social programs.

Urban Development Action Grants are funds provided through HUD's Urban Development Action Grant (UDAG) program. These grants are used for various residential, commercial, and industrial projects within the City.

Neighborhood Development Fund accounts for loan repayments from UDAG. These funds are used for Title I eligible activities in the City's neighborhoods.

Building Loan Program are short term loans for eligible activities provided through the CDBG's program's unexpended balances.

Housing Development Action Grants are funds provided through HUD's Housing Development Action Grant (HODAG). HODAG funds are targeted for low and moderate income family housing needs.

Neighborhood Research accounts for funds that the City may receive for neighborhood planning and assistance.

Boston Redevelopment Authority accounts for funds provided by Community Development Block Grants, Urban Development Action Grants and the Neighborhood Development Fund. The Authority was created for the general purpose of planning, coordinating and assisting in the revitalization and development of the Boston area.

Exhibit B-1

SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 1993

	<u>City Fund</u>	<u>Revolving Loans Fund</u>	<u>Boston Public Schools</u>
ASSETS			
Cash and short-term investments	\$ 5,543,067	\$ 42,508,707	\$ (9,615,296)
Receivables (net, of allowances for uncollectible amounts):			
Intergovernmental	1,990,413	286,232	15,081,098
Accounts	313,869	3,259,089	19,533
Total receivables	<u>2,304,282</u>	<u>3,545,321</u>	<u>15,100,631</u>
Due from other funds	23,670	-	-
Other assets	-	-	-
Total assets	\$ <u>7,871,019</u>	\$ <u>46,054,028</u>	\$ <u>5,485,335</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Warrants and accounts payable	\$ 2,330,268	\$ 70,795	\$ 2,047,655
Accrued liabilities:			
Other	-	19,485,869	-
Due to other funds	67,377	-	-
Deferred revenue	-	-	-
Total liabilities	<u>2,397,645</u>	<u>19,556,664</u>	<u>2,047,655</u>
Fund Balances:			
Reserved for:			
Encumbrances and continuing appropriations	4,667,790	3,022,864	4,040,078
Unreserved:			
Designated	-	-	-
Undesignated	805,584	23,474,500	(602,398)
Total fund balance	<u>5,473,374</u>	<u>26,497,364</u>	<u>3,437,680</u>
Total liabilities and fund balance	\$ <u>7,871,019</u>	\$ <u>46,054,028</u>	\$ <u>5,485,335</u>

City of Boston, Massachusetts

<u>Jobs and Community Service</u>	<u>Community Development Block Grant</u>	<u>Home Bill Program</u>	<u>Urban Development Action Grant</u>
\$ 149	\$ 17,145,492	\$ (672,808)	\$ 453,935
-	1,288,499	105,675	-
-	-	-	-
-	<u>1,288,499</u>	<u>105,675</u>	<u>-</u>
-	-	-	-
-	-	-	-
\$ <u>149</u>	\$ <u>18,433,991</u>	\$ <u>(567,133)</u>	\$ <u>453,935</u>
\$ 147	\$ 775,020	\$ 294,542	\$ -
-	-	-	-
-	417,218	-	-
-	2,305,302	-	-
<u>147</u>	<u>3,497,540</u>	<u>294,542</u>	<u>-</u>
-	10,710,940	590,778	761,151
-	-	-	-
2	4,225,511	(1,452,453)	(307,216)
<u>2</u>	<u>14,936,451</u>	<u>(861,675)</u>	<u>453,935</u>
\$ <u>149</u>	\$ <u>18,433,991</u>	\$ <u>(567,133)</u>	\$ <u>453,935</u>

(continued)

Exhibit B-1 (continued)

SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 1993

ASSETS	<u>Neighborhood Development</u>	<u>Building Loan Program</u>	<u>Housing Development Action Grants</u>
Cash and short-term investments	\$ 13,540,128	\$ (16,973,099)	\$ (96,608)
Receivables (net, of allowances for uncollectible amounts):			
Intergovernmental	-	-	-
Accounts	-	-	-
Total receivables	<u>-</u>	<u>-</u>	<u>-</u>
Due from other funds	-	-	-
Other assets	-	-	-
Total assets	\$ <u>13,540,128</u>	\$ <u>(16,973,099)</u>	\$ <u>(96,608)</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Warrants and accounts payable	\$ 10,345	\$ -	\$ -
Accrued liabilities:			
Other	-	-	-
Due to other funds	-	-	-
Deferred revenue	-	-	-
Total liabilities	<u>10,345</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Reserved for:			
Encumbrances and continuing appropriations	1,598,618	1,394,087	-
Unreserved:			
Designated	-	-	-
Undesignated	11,931,165	(18,367,186)	(96,608)
Total fund balance	<u>13,529,783</u>	<u>(16,973,099)</u>	<u>(96,608)</u>
Total liabilities and fund balance	\$ <u>13,540,128</u>	\$ <u>(16,973,099)</u>	\$ <u>(96,608)</u>

City of Boston, Massachusetts

Neighborhood Research	Boston Redevelopment Authority	Totals	
		1993	1992
\$ 276,446	\$ 1,029,280	\$ 53,139,393	\$ 67,352,287
-	-	18,751,917	9,030,848
-	26,482	3,618,973	1,901,481
-	26,482	22,370,890	10,932,329
-	2,231,880	2,255,550	5,459,893
-	113,856	113,856	70,175
\$ <u>276,446</u>	\$ <u>3,401,498</u>	\$ <u>77,879,689</u>	\$ <u>83,814,684</u>
\$ -	\$ 1,455,991	\$ 6,984,763	\$ 8,389,425
-	212,381	19,698,250	17,058,055
-	-	484,595	859,646
-	-	2,305,302	4,154,218
-	1,668,372	29,472,910	30,461,344
-	-	26,786,306	17,313,636
-	1,713,606	1,713,606	1,856,457
276,446	19,520	19,906,867	34,183,247
276,446	1,733,126	48,406,779	53,353,340
\$ <u>276,446</u>	\$ <u>3,401,498</u>	\$ <u>77,879,689</u>	\$ <u>83,814,684</u>

City of Boston, Massachusetts

Exhibit B-2

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 1993

	<u>City Fund</u>	<u>Revolving Loans Fund</u>	<u>Boston Public Schools</u>
REVENUES:			
Local:			
Investment income	\$ -	\$ -	\$ -
Departmental and other revenue	1,320,884	18,087,068	1,554,172
Total local revenues	<u>1,320,884</u>	<u>18,087,068</u>	<u>1,554,172</u>
Intergovernmental:			
Federal	6,001,936	69,296	51,497,905
Commonwealth of Massachusetts	44,642,607	1,228,445	18,037,386
Total intergovernmental revenues	<u>50,644,543</u>	<u>1,297,741</u>	<u>69,535,291</u>
Total revenues	<u>51,965,427</u>	<u>19,384,809</u>	<u>71,089,463</u>
EXPENDITURES:			
Current operations:			
General government	1,413,974	1,566,968	-
Human services	953,309	19,998	-
Public safety	1,339,731	9,656,457	-
Public works	201,062	-	-
Parks and recreation	2,015,967	205,836	-
Library	-	1,090,337	-
Schools	-	109,591	73,734,147
County	39,968,016	756,938	-
Community development	4,423,955	254,063	-
Capital outlays	580,935	-	3,337,566
Total expenditures	<u>50,896,949</u>	<u>13,660,188</u>	<u>77,071,713</u>
Excess (deficiency) of revenues over expenditures	<u>1,068,478</u>	<u>5,724,621</u>	<u>(5,982,250)</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in (out), net	<u>-</u>	<u>(203,605)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	1,068,478	5,521,016	(5,982,250)
Fund balance (deficit), beginning of year	4,404,896	20,976,348	9,419,930
Fund balance (deficit), end of year	\$ <u><u>5,473,374</u></u>	\$ <u><u>26,497,364</u></u>	\$ <u><u>3,437,680</u></u>

City of Boston, Massachusetts

<u>Jobs and Community Service</u>	<u>Community Development Block Grant</u>	<u>Home Bill Program</u>	<u>Urban Development Action Grant</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	24,147,966	2,122,964	53,935
-	-	-	-
-	<u>24,147,966</u>	<u>2,122,964</u>	<u>53,935</u>
-	<u>24,147,966</u>	<u>2,122,964</u>	<u>53,935</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	24,322,053	2,984,649	30,000
-	3,170,752	-	-
-	<u>27,492,805</u>	<u>2,984,649</u>	<u>30,000</u>
-	<u>(3,344,839)</u>	<u>(861,685)</u>	<u>23,935</u>
-	-	-	-
-	(3,344,839)	(861,685)	23,935
2	18,281,290	10	430,000
<u>\$ 2</u>	<u>\$ 14,936,451</u>	<u>\$ (861,675)</u>	<u>\$ 453,935</u>

(continued)

Exhibit B-2 (continued)

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 1993

	<u>Neighborhood Development</u>	<u>Building Loan Program</u>	<u>Housing Development Action Grants</u>
REVENUES:			
Local:			
Investment income	\$ -	\$ -	\$ -
Departmental and other revenue	-	-	-
Total local revenues	<u>-</u>	<u>-</u>	<u>-</u>
Intergovernmental:			
Federal	1,188,443	3,738,359	-
Commonwealth of Massachusetts	-	-	-
Total intergovernmental revenues	<u>1,188,443</u>	<u>3,738,359</u>	<u>-</u>
Total revenues	<u>1,188,443</u>	<u>3,738,359</u>	<u>-</u>
EXPENDITURES:			
Current operations:			
General government	-	-	-
Human services	-	-	-
Public safety	-	-	-
Public works	-	-	-
Parks and recreation	-	-	-
Library	-	-	-
Schools	-	-	-
County	-	-	-
Community development	4,208,401	414,867	-
Capital outlays	-	-	-
Total expenditures	<u>4,208,401</u>	<u>414,867</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(3,019,958)</u>	<u>3,323,492</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in (out), net	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(3,019,958)	3,323,492	-
Fund balance (deficit), beginning of year	16,549,741	(20,296,591)	(96,608)
Fund balance (deficit), end of year	<u>\$ 13,529,783</u>	<u>\$ (16,973,099)</u>	<u>\$ (96,608)</u>

City of Boston, Massachusetts

Neighborhood Research	Boston Redevelopment Authority	Totals	
		1993	1992
\$ -	\$ -	\$ -	\$ 66,027
-	8,368	20,970,492	28,650,669
-	8,368	20,970,492	28,716,696
-	-	88,820,804	74,376,507
-	-	63,908,438	29,424,112
-	-	152,729,242	103,800,619
-	8,368	173,699,734	132,517,315
-	-	2,980,942	1,389,077
-	-	973,307	1,823,750
-	-	10,996,188	20,986,333
-	-	201,062	5,484,807
-	-	2,221,803	3,569,983
-	-	1,090,337	1,057,070
-	-	73,843,738	64,052,635
-	-	40,724,954	-
-	-	36,637,988	20,490,828
-	-	7,089,253	4,308,188
-	-	176,759,572	123,162,671
-	8,368	(3,059,838)	9,354,644
-	(1,683,118)	(1,886,723)	(686,826)
-	(1,674,750)	(4,946,561)	8,667,818
276,446	3,407,876	53,353,340	44,685,522
\$ <u>276,446</u>	\$ <u>1,733,126</u>	\$ <u>48,406,779</u>	\$ <u>53,353,340</u>



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CAPITAL PROJECT FUNDS

These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. Such resources are derived principally from proceeds of general obligation bonds and from federal and state grants.

Departmental Equipment accounts for capital equipment provided to all city departments ranging from computer hardware to fire trucks and snow plows.

School Projects accounts for the construction, renovation and repairs to all school buildings.

Public Buildings accounts for the construction, renovation and repairs to all City owned buildings.

Hospital Department accounts for the construction, renovation and repairs to Boston City Hospital.

Urban and Economic Development accounts for the construction, renovation and rehabilitation to buildings and structures approved by the City's planning board.

Neighborhood Development Fund accounts for loan repayments from Urban Development Action Grants which provide real estate loans to low and moderate income residents of the City.

Parks and Recreation accounts for the construction and repair of park areas throughout the City.

Public Works accounts for the construction, maintenance and repair of public work projects such as: bridges street lighting, sidewalks, water mains and sewer drainage.

Chapter 90 Public Ways accounts for the design, engineering, construction and reconstruction of major roadways, streets and sidewalks.

Trust Funds account for funds authorized for specific capital purposes as designated by each trust.

Other Capital Project Funds account for other miscellaneous expenditures for various projects.

Boston Redevelopment Authority is the City's general planning agency and administers funds designated for the redevelopment of the City's downtown area and inner-city neighborhoods.

Exhibit C-1

CAPITAL PROJECTS FUNDS
Combining Balance Sheet
June 30, 1993

	<u>Departmental Equipment</u>	<u>School Projects</u>	<u>Public Buildings</u>
ASSETS			
Cash and investments	\$ 4,107,643	\$ 10,535,345	\$ 20,525,383
Restricted cash	-	-	-
Receivables (net, of allowances for uncollectible amounts):			
Intergovernmental	-	-	233,814
Accounts	-	-	-
Notes	-	-	-
Total receivables	<u>-</u>	<u>-</u>	<u>233,814</u>
Due from other funds	-	-	-
Other Assets	-	-	-
Total assets	\$ <u>4,107,643</u>	\$ <u>10,535,345</u>	\$ <u>20,759,197</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Warrants and accounts payable	\$ -	\$ -	\$ 225,332
Accrued liabilities:			
Judgments and claims	-	-	-
Other	-	-	-
Due to other funds	-	149,860	174,485
Deferred revenue	-	-	-
Bonds, loans and notes payable	-	-	-
Total liabilities	<u>-</u>	<u>149,860</u>	<u>399,817</u>
Fund Balances:			
Reserved for:			
Encumbrances and continuing appropriations	547,512	5,965,350	13,879,683
Unreserved:			
Designated	-	-	-
Undesignated	3,560,131	4,420,135	6,479,697
Total fund balance	<u>4,107,643</u>	<u>10,385,485</u>	<u>20,359,380</u>
Total liabilities and fund balances	\$ <u>4,107,643</u>	\$ <u>10,535,345</u>	\$ <u>20,759,197</u>

City of Boston, Massachusetts

<u>Sale of City Property</u>	<u>Hospital Department</u>	<u>Urban & Economic Development</u>	<u>Parks & Recreation</u>	<u>Parking Facilities</u>
\$ 18,391,287	\$ 2,108,466	\$ 2,298,772	\$ 2,906,508	\$ 488,955
—	—	—	—	—
14,080,000	—	—	143,853	—
—	—	—	—	—
—	—	—	—	—
<u>14,080,000</u>	<u>—</u>	<u>—</u>	<u>143,853</u>	<u>—</u>
—	—	—	—	—
—	—	—	—	—
<u>\$ 32,471,287</u>	<u>\$ 2,108,466</u>	<u>\$ 2,298,772</u>	<u>\$ 3,050,361</u>	<u>\$ 488,955</u>
\$ —	\$ 2,650	\$ 481,390	\$ 270,684	\$ —
—	—	—	—	—
—	—	—	—	—
—	227	—	93,858	—
—	—	—	—	—
—	—	—	—	—
<u>—</u>	<u>2,877</u>	<u>481,390</u>	<u>364,542</u>	<u>—</u>
32,371,287	735,631	6,366,142	2,418,740	—
—	—	—	—	—
100,000	1,369,958	(4,548,760)	267,079	488,955
<u>32,471,287</u>	<u>2,105,589</u>	<u>1,817,382</u>	<u>2,685,819</u>	<u>488,955</u>
<u>\$ 32,471,287</u>	<u>\$ 2,108,466</u>	<u>\$ 2,298,772</u>	<u>\$ 3,050,361</u>	<u>\$ 488,955</u>

(continued)

Exhibit C-1 (continued)

CAPITAL PROJECTS FUNDS

Combining Balance Sheet

June 30, 1993

	<u>Public Works</u>	<u>Chapter 90 Public Ways</u>	<u>Trust Funds</u>
ASSETS			
Cash and investments	\$ 5,478,557	\$ (1,267,444)	\$ (95,972)
Restricted cash	-	-	-
Receivables (net, of allowances for uncollectible amounts):			
Intergovernmental	204,446	714,862	-
Accounts	-	-	-
Notes	-	-	-
Total receivables	<u>204,446</u>	<u>714,862</u>	<u>-</u>
Due from other funds	-	-	-
Other Assets	-	-	-
Total assets	\$ <u>5,683,003</u>	\$ <u>(552,582)</u>	\$ <u>(95,972)</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Warrants and accounts payable	\$ 17,264	\$ -	\$ 1,650
Accrued liabilities:			
Judgments and claims	-	-	-
Other	-	-	-
Due to other funds	420,716	-	-
Deferred revenue	-	-	-
Bonds, loans and notes payable	-	-	-
Total liabilities	<u>437,980</u>	<u>-</u>	<u>1,650</u>
Fund Balances:			
Reserved for:			
Encumbrances and continuing appropriations	13,058,911	4,460,602	246,539
Unreserved:			
Designated	-	-	-
Undesignated	(7,813,888)	(5,013,184)	(344,161)
Total fund balance	<u>5,245,023</u>	<u>(552,582)</u>	<u>(97,622)</u>
Total liabilities and fund balances	\$ <u>5,683,003</u>	\$ <u>(552,582)</u>	\$ <u>(95,972)</u>

City of Boston, Massachusetts

<u>Bond Refunding</u>	<u>Other</u>	<u>Boston Redevelopment Authority</u>	<u>Totals</u>	
			<u>1993</u>	<u>1992</u>
\$ 41,432	\$ — 5,849,668	\$ 1,761,332 2,118,151	\$ 67,280,264 7,967,819	\$ 124,540,148 5,128,482
—	—	807,725	16,184,700	3,976,211
—	—	20,359,273	20,359,273	26,793,470
—	—	518,343	518,343	612,784
—	—	21,685,341	37,062,316	31,382,465
—	—	—	—	286,919
—	—	9,900,000	9,900,000	9,929,704
<u>\$ 41,432</u>	<u>\$ 5,849,668</u>	<u>\$ 35,464,824</u>	<u>\$ 122,210,399</u>	<u>\$ 171,267,718</u>
\$ —	\$ 4,856,962	\$ —	\$ 5,855,932	\$ 1,022,426
—	—	—	—	527,700
—	—	5,881,446	5,881,446	2,537,693
—	—	1,998,280	2,837,426	5,855,141
—	—	17,685,098	17,685,098	16,438,316
—	—	9,900,000	9,900,000	9,900,000
—	4,856,962	35,464,824	42,159,902	36,281,276
100	—	—	80,050,497	68,892,460
—	—	—	—	7,838,076
41,332	992,706	—	—	58,255,906
<u>41,432</u>	<u>992,706</u>	<u>—</u>	<u>80,050,497</u>	<u>134,986,442</u>
<u>\$ 41,432</u>	<u>\$ 5,849,668</u>	<u>\$ 35,464,824</u>	<u>\$ 122,210,399</u>	<u>\$ 171,267,718</u>

Exhibit C-2

CAPITAL PROJECTS FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 1993

	<u>Departmental Equipment</u>	<u>School Projects</u>	<u>Public Buildings</u>
REVENUES:			
Local:			
Investment income	\$ -	\$ -	\$ -
Departmental and other	-	-	-
Total local revenues	<u>-</u>	<u>-</u>	<u>-</u>
Intergovernmental:			
Federal	-	-	-
Commonwealth of Massachusetts	-	1,140,228	5,461,001
Total intergovernmental revenues	<u>-</u>	<u>1,140,228</u>	<u>5,461,001</u>
Total revenues	<u>-</u>	<u>1,140,228</u>	<u>5,461,001</u>
EXPENDITURES:			
Judgments and claims	-	-	-
Retirement costs	-	-	-
Capital outlays	2,115,455	13,691,582	18,595,716
Debt service	-	-	-
Total expenditures	<u>2,115,455</u>	<u>13,691,582</u>	<u>18,595,716</u>
Excess (deficiency) of revenues over expenditures	<u>(2,115,455)</u>	<u>(12,551,354)</u>	<u>(13,134,715)</u>
OTHER FINANCING SOURCES (USES):			
Proceeds of refunding debt and capital leases	-	-	-
Operating transfers in (out), net	(3,210,582)	-	(1,011,998)
Payment to escrow agent for refunded debt	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(5,326,037)</u>	<u>(12,551,354)</u>	<u>(14,146,713)</u>
Fund balance (deficit), beginning of year	<u>9,433,680</u>	<u>22,936,839</u>	<u>34,506,093</u>
Fund balance (deficit), end of year	\$ <u><u>4,107,643</u></u>	\$ <u><u>10,385,485</u></u>	\$ <u><u>20,359,380</u></u>

City of Boston, Massachusetts

<u>Sale of City Property</u>	<u>Hospital Department</u>	<u>Urban & Economic Development</u>	<u>Parks & Recreation</u>	<u>Parking Facilities</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	312,265	-
-	-	-	312,265	-
-	-	-	200,000	-
14,080,000	-	-	223,918	-
14,080,000	-	-	423,918	-
14,080,000	-	-	736,183	-
-	-	-	-	-
-	-	-	-	-
-	71,142	7,357,788	6,361,784	-
-	-	-	-	-
-	71,142	7,357,788	6,361,784	-
14,080,000	(71,142)	(7,357,788)	(5,625,601)	-
-	-	-	-	-
(1,764,844)	(1,383,420)	-	-	-
-	-	-	-	-
12,315,156	(1,454,562)	(7,357,788)	(5,625,601)	-
20,156,131	3,560,151	9,175,170	8,311,420	488,955
\$ <u>32,471,287</u>	\$ <u>2,105,589</u>	\$ <u>1,817,382</u>	\$ <u>2,685,819</u>	\$ <u>488,955</u>

(continued)

Exhibit C-2 (continued)

CAPITAL PROJECTS FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 1993

	<u>Public Works</u>	<u>Chapter 90 Public Ways</u>	<u>Trust Funds</u>
REVENUES:			
Local:			
Investment income	\$ -	\$ -	\$ -
Departmental and other	2,220,785	215,504	342,648
Total local revenues	<u>2,220,785</u>	<u>215,504</u>	<u>342,648</u>
Intergovernmental:			
Federal	-	-	-
Commonwealth of Massachusetts	204,446	4,271,004	-
Total intergovernmental revenues	<u>204,446</u>	<u>4,271,004</u>	<u>-</u>
Total revenues	<u>2,425,231</u>	<u>4,486,508</u>	<u>342,648</u>
EXPENDITURES:			
Judgments and claims	-	-	-
Retirement costs	-	-	-
Capital outlays	12,965,944	4,914,906	449,902
Debt service	-	-	-
Total expenditures	<u>12,965,944</u>	<u>4,914,906</u>	<u>449,902</u>
Excess (deficiency) of revenues over expenditures	<u>(10,540,713)</u>	<u>(428,398)</u>	<u>(107,254)</u>
OTHER FINANCING SOURCES (USES):			
Proceeds of refunding debt and capital leases	-	-	-
Operating transfers in (out), net	-	-	-
Payment to escrow agent for refunded debt	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(10,540,713)</u>	<u>(428,398)</u>	<u>(107,254)</u>
Fund balance (deficit), beginning of year	<u>15,785,736</u>	<u>(124,184)</u>	<u>9,632</u>
Fund balance (deficit), end of year	\$ <u>5,245,023</u>	\$ <u>(552,582)</u>	\$ <u>(97,622)</u>

City of Boston, Massachusetts

<u>Bond Refunding</u>	<u>Other</u>	<u>Boston Redevelopment Authority</u>	<u>Total</u>	
			<u>1993</u>	<u>1992</u>
\$ -	-	\$ 730,943	\$ 730,943	\$ 555,380
-	-	8,111,608	11,202,810	22,857,402
-	-	8,842,551	11,933,753	23,412,782
-	-	1,786,750	1,986,750	3,322,410
-	-	-	25,380,597	35,075,557
-	-	1,786,750	27,367,347	38,397,967
-	-	10,629,301	39,301,100	61,810,749
-	-	630,826	630,826	490,087
-	-	1,514,291	1,514,291	1,756,923
-	7,330,305	18,005,378	91,859,902	93,027,687
2,894,432	370,731	-	3,265,163	3,045,448
<u>2,894,432</u>	<u>7,701,036</u>	<u>20,150,495</u>	<u>97,270,182</u>	<u>98,320,145</u>
<u>(2,894,432)</u>	<u>(7,701,036)</u>	<u>(9,521,194)</u>	<u>(57,969,082)</u>	<u>(36,509,396)</u>
92,305,000	5,785,000	-	98,090,000	77,295,000
-	-	1,683,118	(5,687,726)	(15,258,950)
<u>(89,369,136)</u>	<u>-</u>	<u>-</u>	<u>(89,369,136)</u>	<u>-</u>
41,432	(1,916,036)	(7,838,076)	(54,935,944)	25,526,654
-	2,908,742	7,838,076	134,986,441	109,459,787
<u>\$ 41,432</u>	<u>992,706</u>	<u>\$ -</u>	<u>\$ 80,050,497</u>	<u>\$ 134,986,441</u>



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ENTERPRISE FUNDS

These funds are used to account for activities operated in a manner similar to private business enterprise or where periodic determination of revenues, expenses and net income is needed.

Department of Health and Hospitals is the principal provider in the City of acute care for the indigent and other government assisted patients. The Department is comprised of two hospitals, Boston City Hospital and Mattapan Hospital, and supports an extensive network of community health centers.

Trustees of Health and Hospitals is a non-profit corporation established in 1965 by legislative enactment of the Commonwealth of Massachusetts. The Trustees principal activities are the financial administration of numerous grants and contracts, community health programs and medical research, primarily under the sponsorship of federal, state and city agencies.

Economic Development Industrial Corporation is a quasi-public agency of the City of Boston and a instrumentality of the state, whose purpose is to create and retain industrial companies and jobs through economic development, industrial real estate management, financing and job training.

City of Boston, Massachusetts

Exhibit D-1

ENTERPRISE FUNDS
Combining Balance Sheet
June 30, 1993

	<u>Department of Health & Hospitals</u>	<u>Trustess of Health & Hospitals</u>
ASSETS		
Cash and investments	\$ 9,732,278	\$ 773,255
Restricted cash	89,498,600	-
Receivables (net, of allowances for uncollectibles):		
Intergovernmental	-	-
Third-party payors	21,116,185	-
Accounts	37,039,467	16,239,088
Loans	-	-
Total receivables	<u>58,155,652</u>	<u>16,239,088</u>
Inventories	1,277,469	-
Due from other funds	-	-
Other assets	2,146,512	291,322
Property, plant and equipment (net of accumulated depreciation)	177,590,358	177,105
Total assets	\$ <u>338,400,869</u>	\$ <u>17,480,770</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Warrants and accounts payable	\$ 5,427,583	\$ 6,322,065
Accrued liabilities:		
Judgments and claims	2,800,000	-
Sick and vacation	5,433,173	-
Retirement costs	20,015,114	-
Other	10,794,685	1,116,882
Intergovernmental	-	9,563,045
Due to other funds	26,988,210	3,935,144
Deferred revenue	16,882,553	-
Obligations under capital lease	1,844,897	-
Bonds and notes payable	184,496,164	-
Total liabilities	<u>274,682,379</u>	<u>20,937,136</u>
Fund Equity:		
Proprietary fund equity	63,718,490	(3,456,366)
Reserved for:		
Continuing appropriations	-	-
Unreserved:		
Undesignated	-	-
Total fund equity	<u>63,718,490</u>	<u>(3,456,366)</u>
Total liabilities and fund equity	\$ <u>338,400,869</u>	\$ <u>17,480,770</u>

City of Boston, Massachusetts

Economic Development Industrial Corporation	Totals	
	1993	1992
\$ 7,068,386	\$ 17,573,919	\$ 12,342,852
4,798,206	94,296,806	125,231,796
7,571,480	7,571,480	3,313,646
—	21,116,185	16,775,714
725,218	54,003,773	54,885,788
12,052,339	12,052,339	12,198,191
<u>20,349,037</u>	<u>94,743,777</u>	<u>87,173,339</u>
—	1,277,469	1,355,507
—	—	3,075,290
3,382,007	5,819,841	9,182,954
21,305,515	199,072,978	171,580,982
\$ <u>56,903,151</u>	\$ <u>412,784,790</u>	\$ <u>409,942,720</u>
\$ 763,608	\$ 12,513,256	\$ 21,658,631
—	2,800,000	2,581,319
—	5,433,173	6,089,625
—	20,015,114	26,194,855
4,063,042	15,974,609	17,791,334
3,227,487	12,790,532	20,845,605
—	30,923,354	13,622,528
15,243,983	32,126,536	11,314,043
229,715	2,074,612	1,821,200
26,657,592	211,153,756	195,532,178
<u>50,185,427</u>	<u>345,804,942</u>	<u>317,451,318</u>
—	60,262,124	86,328,974
2,460,913	2,460,913	2,460,913
4,256,811	4,256,811	3,701,515
<u>6,717,724</u>	<u>66,979,848</u>	<u>92,491,402</u>
\$ <u>56,903,151</u>	\$ <u>412,784,790</u>	\$ <u>409,942,720</u>

Exhibit D-2

ENTERPRISE FUNDS

Combining Statement of Revenues, Expenses and Changes in Fund Equity
Year Ended June 30, 1993

	<u>Department of Health & Hospitals</u>	<u>Trustees of Health & Hospitals</u>
REVENUES:		
Net patient service revenue	\$ 177,989,005	\$ —
Investment income	—	—
Programs	—	63,495,378
Rental income	—	—
Intergovernmental	—	—
Miscellaneous	<u>12,386,427</u>	<u>—</u>
Total operating revenues	<u>190,375,432</u>	<u>63,495,378</u>
EXPENSES:		
Salaries and wages	104,103,039	—
Professional fees	19,234,088	—
Administrative and general	29,826,421	4,777,252
Materials and supplies	14,936,310	—
Depreciation	9,478,172	58,512
Retirement costs	4,944,475	—
Interest	3,634,981	—
Bad debts	16,283,650	3,320,494
Subsidies for community services, special programs and real estate operations	<u>20,798,692</u>	<u>58,939,606</u>
Total operating expenses	<u>223,239,828</u>	<u>67,095,864</u>
Operating income (loss) before operating transfers	(32,864,396)	(3,600,486)
Operating transfer in (out), net	<u>32,721,113</u>	<u>484,456</u>
Income (loss) before extraordinary loss	(143,283)	(3,116,030)
Extraordinary loss	<u>(22,807,730)</u>	<u>—</u>
Net income (loss)	(22,951,013)	(3,116,030)
Fund equity, beginning of year	<u>86,669,503</u>	<u>(340,336)</u>
Fund equity, at end of year	<u>\$ 63,718,490</u>	<u>\$ (3,456,366)</u>

City of Boston, Massachusetts

Economic Development Industrial Corporation	Totals	
	1993	1992
\$ —	\$ 177,989,005	\$ 183,606,795
1,386,032	1,386,032	1,369,108
—	63,495,378	51,114,857
5,699,121	5,699,121	5,465,622
19,663,118	19,663,118	12,943,001
294,629	12,681,056	11,044,228
27,042,900	280,913,710	265,543,611
5,920,065	110,023,104	111,169,802
326,565	19,560,653	18,587,099
2,443,781	37,047,454	27,916,812
59,827	14,996,137	15,977,011
1,245,232	10,781,916	10,118,872
—	4,944,475	5,017,819
1,831,585	5,466,566	5,387,794
204,346	19,808,490	29,973,581
14,456,203	94,194,501	83,361,582
26,487,604	316,823,296	307,510,372
555,296	(35,909,586)	(41,966,761)
—	33,205,569	42,231,987
555,296	(2,704,017)	265,226
—	(22,807,730)	—
555,296	(25,511,747)	265,226
6,162,428	92,491,595	92,226,176
\$ 6,717,724	\$ 66,979,848	\$ 92,491,402

City of Boston, Massachusetts
Exhibit D-3

ENTERPRISE FUNDS
Combining Statement of Cash Flows
Year Ended June 30, 1993

	Department of Health & Hospitals	Trustees of Health & Hospitals
Cash Flows From Operating Activities:		
Operating income (loss)	\$ (32,864,396)	\$ (3,600,486)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	9,478,172	58,512
Provisions for bad debt	16,283,650	2,403,394
Direct write-off of receivables	-	917,100
Changes in operating assets and liabilities:		
Accounts receivable	(10,491,548)	(7,149,429)
Intergovernmental receivable	-	-
Inventories	78,038	-
Other assets	3,473,930	12,965
Due to / from other funds	19,816,262	(124,528)
Accounts payable	(11,599,558)	3,463,895
Accrued retirement and vacation	(6,179,741)	-
Intergovernmental payable	-	726,332
Due to third party payors	(4,340,471)	-
Other accrued liabilities	(2,568,027)	324,968
Deferred revenue	3,710,727	-
Cash provided (used) by operating activities	<u>(15,202,962)</u>	<u>(2,967,277)</u>
Cash Flows From Noncapital Financing Activities:		
Advances from grantors	-	3,698,799
Operating subsidy / transfers in (out)	32,722,106	484,456
Cash provided (used) by noncapital financing activities	<u>32,722,106</u>	<u>4,183,255</u>
Cash Flows From Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(36,390,527)	(71,070)
Proceeds from debt	184,496,164	-
Payments received on loans receivable	-	-
Repayment of long-term debt	(191,195,528)	-
Principal paid on debt maturities	-	-
Payments on lease obligations	-	-
Other transfers	-	(600,326)
Acquisition of capital leases	254,644	-
Cash provided (used) by capital and related financing activities	<u>(42,835,247)</u>	<u>(671,396)</u>
Increase (decrease) in cash and cash equivalents	(25,316,103)	544,582
Cash and cash equivalents, beginning of year	<u>124,546,981</u>	<u>228,673</u>
Cash and cash equivalents, end of year	<u>\$ 99,230,878</u>	<u>\$ 773,255</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 15,154,419</u>	<u>-</u>

City of Boston, Massachusetts

Economic Development Industrial Corporation	Totals	
	1993	1992
\$ 555,296	\$ (35,909,586)	\$ (41,966,761)
1,245,232	10,781,916	10,831,734
204,346	18,891,390	30,098,581
—	917,100	—
626,340	(17,014,637)	(24,160,009)
(369,966)	(369,966)	38,353
—	78,038	161,538
(519,319)	2,967,576	(126,873)
—	19,691,734	37,834,123
353,691	(7,781,972)	(13,268,160)
—	(6,179,741)	(6,625,866)
728,657	1,454,989	508,050
—	(4,340,471)	(22,361,109)
19,735	(2,223,324)	2,634,428
42,072	3,752,799	8,531,346
<u>2,886,084</u>	<u>(15,284,155)</u>	<u>(17,870,625)</u>
—	3,698,799	(1,967,001)
—	33,206,562	42,231,987
<u>—</u>	<u>36,905,361</u>	<u>40,264,986</u>
(1,754,526)	(38,216,123)	(47,009,548)
145,852	184,496,164	37,400
(176,375)	145,852	103,011
—	(191,371,903)	—
—	—	(301,380)
(121,645)	(121,645)	(1,292,557)
—	(600,326)	56,025
42,783	297,427	23,473
<u>(1,863,911)</u>	<u>(45,370,554)</u>	<u>(48,383,576)</u>
1,022,173	(23,749,348)	(25,989,215)
<u>9,862,246</u>	<u>134,637,900</u>	<u>160,627,115</u>
\$ <u>10,884,419</u>	\$ <u>110,888,552</u>	\$ <u>134,637,900</u>
 \$ <u>1,850,011</u>	 \$ <u>17,004,430</u>	 \$ <u>17,638,196</u>

Exhibit D-4

DEPARTMENT of HEALTH and HOSPITALS

Comparative Balance Sheet

June 30, 1993 and 1992

ASSETS	<u>1993</u>	<u>1992</u>
Cash and investments	\$ 9,732,278	\$ 6,411,180
Restricted cash	89,498,600	120,090,376
Receivables (net, of allowances for uncollectibles):		
Accounts	37,039,467	42,831,569
Third party payors	21,116,185	16,775,714
Total receivables	<u>58,155,652</u>	<u>59,607,283</u>
Inventories	1,277,469	1,355,507
Due from other funds	—	3,075,290
Other assets	2,146,512	5,620,442
Property, plant and equipment (net of accumulated depreciation)	177,590,358	150,678,803
Total assets	<u>\$ 338,400,869</u>	<u>\$ 346,838,881</u>
 LIABILITIES AND FUND EQUITY		
Liabilities:		
Warrants and accounts payable	\$ 5,427,583	\$ 18,981,716
Accrued liabilities:		
Judgments and claims	2,800,000	2,581,319
Sick and vacation	5,433,173	6,089,625
Retirement costs	20,015,114	26,194,855
Other	10,794,685	12,924,941
Intergovernmental	—	13,171,826
Due to other funds	26,988,210	10,247,238
Deferred revenue	16,882,553	—
Obligations under capital lease	1,844,897	1,590,253
Bonds and notes payable	184,496,164	168,387,798
Total liabilities	<u>274,682,379</u>	<u>260,169,571</u>
Fund Equity:		
Proprietary fund equity	63,718,490	86,669,310
Total fund equity	<u>63,718,490</u>	<u>86,669,310</u>
Total liabilities and fund equity	<u>\$ 338,400,869</u>	<u>\$ 346,838,881</u>

Exhibit D-5

DEPARTMENT of HEALTH and HOSPITALS
Comparative Statement of Revenues, Expenses and Changes in Fund Equity
Year Ended June 30, 1993 and 1992

	<u>1993</u>	<u>1992</u>
REVENUES:		
Net patient service revenue	177,989,005	183,606,988
Miscellaneous	12,386,427	10,339,652
Total operating revenues	<u>190,375,432</u>	<u>193,946,640</u>
EXPENSES:		
Salaries and wages	104,103,039	105,656,848
Professional fees	19,234,088	18,360,355
Administrative and general	29,826,421	22,065,523
Materials and supplies	14,936,310	15,887,273
Depreciation	9,478,172	8,547,984
Retirement costs	4,944,475	5,017,819
Interest	3,634,981	3,683,566
Bad debt	16,283,650	29,973,581
Subsidies for community services, special programs and real estate operations	<u>20,798,692</u>	<u>23,782,718</u>
Total operating expenses	<u>223,239,828</u>	<u>232,975,667</u>
Operating income (loss) before operating transfers	(32,864,396)	(39,029,027)
Operating transfer in (out), net	<u>32,721,113</u>	<u>41,093,723</u>
Income (loss) before extraordinary loss	(143,283)	2,064,696
Extraordinary loss	<u>(22,807,730)</u>	<u>-</u>
Net income (loss)	(22,951,013)	2,064,696
Fund equity, beginning of year	<u>86,669,503</u>	<u>84,604,807</u>
Fund equity, at end of year	<u><u>63,718,490</u></u>	<u><u>86,669,503</u></u>

Exhibit D-6

DEPARTMENT of HEALTH and HOSPITALS

Comparative Statement of Cash Flows

Year Ended June 30, 1993 and 1992

	<u>1993</u>	<u>1992</u>
Cash Flows From Operating Activities:		
Operating income (loss)	\$ (32,864,396)	\$ (39,029,220)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	9,478,172	9,260,846
Provisions for bad debt	16,283,650	29,973,581
Changes in operating assets and liabilities:		
Accounts receivable	(10,491,548)	(23,990,009)
Inventories	78,038	161,538
Other assets	3,473,930	-
Due to / from other funds	19,816,262	37,825,977
Accounts payable	(11,599,558)	(12,902,621)
Accrued retirement and vacation	(6,179,741)	(6,625,866)
Due to third party payors	(4,340,471)	(22,361,109)
Other accrued liabilities	(2,568,027)	2,366,945
Deferred revenue	3,710,727	8,171,826
Cash provided (used) by operating activities	<u>(15,202,962)</u>	<u>(17,148,112)</u>
Cash Flows From Noncapital Financing Activities:		
Operating subsidy / transfers in (out)	<u>32,722,106</u>	<u>41,093,723</u>
Cash provided (used) by noncapital financing activities	<u>32,722,106</u>	<u>41,093,723</u>
Cash Flows From Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(36,390,527)	(44,603,962)
Proceeds from debt	184,496,164	-
Repayment of long-term debt	(191,195,528)	-
Payments on lease obligations	-	(1,292,557)
Acquisition of capital leases	254,644	-
Cash provided (used) by capital and related financing activities	<u>(42,835,247)</u>	<u>(45,896,519)</u>
Increase (decrease) in cash and cash equivalents	(25,316,103)	(21,950,908)
Cash and cash equivalents, beginning of year	<u>124,546,981</u>	<u>146,497,889</u>
Cash and cash equivalents, end of year	<u>\$ 99,230,878</u>	<u>\$ 124,546,981</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 15,154,419</u>	<u>\$ 5,203,056</u>

Exhibit D-7

TRUSTEES of HEALTH and HOSPITALS

Comparative Balance Sheet

June 30, 1993 and 1992

ASSETS	<u>1993</u>	<u>1992</u>
Cash and investments	\$ 773,255	\$ 228,673
Receivables (net, of allowances for uncollectibles):		
Accounts	16,239,088	10,602,482
Total receivables	<u>16,239,088</u>	<u>10,602,482</u>
Other assets	291,322	304,285
Property, plant and equipment (net of accumulated depreciation)	177,105	164,547
Total assets	<u>\$ 17,480,770</u>	<u>11,299,987</u>
 LIABILITIES AND FUND EQUITY		
Liabilities:		
Warrants and accounts payable	\$ 6,322,065	2,298,170
Accrued liabilities:		
Other	1,116,882	791,914
Intergovernmental	9,563,045	5,174,949
Due to other funds	3,935,144	3,375,290
Total liabilities	<u>20,937,136</u>	<u>11,640,323</u>
Fund Equity:		
Retained earnings	(3,456,366)	(340,336)
Total fund equity	<u>(3,456,366)</u>	<u>(340,336)</u>
Total liabilities and fund equity	<u>\$ 17,480,770</u>	<u>11,299,987</u>

Note: The financial statements of the Trustees of Health and Hospitals for fiscal years 1993 and 1992 are for the fiscal years ended June 30, 1992 and 1991, respectively. This information is also included in the City of Boston's general purpose financial statements.

Exhibit D-8

TRUSTEES of HEALTH and HOSPITAL
Comparative Statement of Revenues, Expenses, and Changes in Fund Equity
Year Ended June 30, 1993 and 1992

	<u>1993</u>	<u>1992</u>
REVENUES:		
Programs	\$ 63,495,378	\$ 51,114,857
Total operating revenues	<u>63,495,378</u>	<u>51,114,857</u>
EXPENSES:		
Administrative and general	4,777,252	3,724,590
Depreciation	58,512	63,231
Bad debts	3,320,494	—
Subsidies for community services, special programs and real estate operations	58,939,606	50,290,811
Total operating expenses	<u>67,095,864</u>	<u>54,078,632</u>
Operating income (loss) before operating transfers	(3,600,486)	(2,963,775)
Operating transfer in (out), net	<u>484,456</u>	<u>1,138,264</u>
Net income (loss)	(3,116,030)	(1,825,511)
Fund equity, beginning of year	<u>(340,336)</u>	<u>1,485,175</u>
Fund equity, at end of year	<u>\$ (3,456,366)</u>	<u>\$ (340,336)</u>

Note: The financial statements of the Trustees of Health and Hospitals for fiscal years 1993 and 1992 are for the fiscal years ended June 30, 1992 and 1991, respectively. This information is also included in the City of Boston's general purpose financial statements.

Exhibit D-9

TRUSTEES of HEALTH and HOSPITALS

Comparative Statement of Cash Flows

Year Ended June 30, 1993 and 1992

	<u>1993</u>	<u>1992</u>
Cash Flows From Operating Activities:		
Operating income (loss)	\$ (3,600,486)	\$ (2,963,775)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	58,512	63,231
Provision for bad debt	2,403,394	-
Direct write-off of receivables	917,100	-
Changes in operating assets and liabilities:		
Accounts receivable	(7,149,429)	979,389
Other assets	12,965	(172,725)
Due to / from trustees	(124,528)	8,146
Accounts payable	3,463,895	(347,344)
Intergovernmental payable	726,332	508,050
Other accrued liabilities	324,968	27,914
Cash used by operating activities	<u>(2,967,277)</u>	<u>(1,897,114)</u>
Cash Flows From Noncapital Financing Activities:		
Advances from grantors	3,698,799	(1,967,001)
Operating subsidy / transfers in (out)	484,456	1,138,264
Cash provided by noncapital financing activities	<u>4,183,255</u>	<u>(828,737)</u>
Cash Flows From Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(71,070)	(16,860)
Other transfers	(600,326)	56,025
Cash provided by capital and related financing activities	<u>(671,396)</u>	<u>39,165</u>
Increase (decrease) in cash and cash equivalents	544,582	(2,686,686)
Cash and cash equivalents, beginning of year	228,673	2,915,359
Cash and cash equivalents, end of year	<u>\$ 773,255</u>	<u>\$ 228,673</u>

Note: The financial statements of the Trustees of Health and Hospitals for fiscal years 1993 and 1992 are for the fiscal years ended June 30, 1992 and 1991, respectively. This information is also included in the City of Boston's general purpose financial statements.

Exhibit D-10

ECONOMIC DEVELOPMENT INDUSTRIAL CORPORATION

Comparative Balance Sheet

June 30, 1993 and 1992

ASSETS	<u>1993</u>	<u>1992</u>
Cash and investments	\$ 7,068,386	\$ 5,702,999
Restricted cash	4,798,206	5,141,420
Receivables (net, of allowances for uncollectibles):		
Intergovernmental	7,571,480	3,313,646
Accounts	725,218	1,451,737
Loans	12,052,339	12,198,191
Total receivables	<u>20,349,037</u>	<u>16,963,574</u>
Other assets	3,382,007	3,258,227
Property, plant and equipment (net of accumulated depreciation)	21,305,515	20,737,632
Total assets	\$ <u><u>56,903,151</u></u>	\$ <u><u>51,803,852</u></u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Warrants and accounts payable	\$ 763,608	\$ 378,745
Accrued liabilities:		
Other	4,063,042	4,074,479
Intergovernmental	3,227,487	2,498,830
Deferred revenue	15,243,983	11,314,043
Obligations under capital leases	229,715	230,947
Bonds and notes payable	26,657,592	27,144,380
Total liabilities	<u>50,185,427</u>	<u>45,641,424</u>
Fund Equity:		
Reserved for:		
Continuing appropriations	2,460,913	2,460,913
Unreserved:		
Undesignated	4,256,811	3,701,515
Total fund equity	<u>6,717,724</u>	<u>6,162,428</u>
Total liabilities and fund equity	\$ <u><u>56,903,151</u></u>	\$ <u><u>51,803,852</u></u>

Exhibit D-11

ECONOMIC DEVELOPMENT INDUSTRIAL CORPORATION
Comparative Statement of Revenues, Expenses and Changes in Fund Equity
Year Ended June 30, 1993 and 1992

	<u>1993</u>	<u>1992</u>
REVENUES:	\$	\$
Investment income	1,386,032	1,369,108
Rental income	5,699,121	5,465,622
Intergovernmental	19,663,118	12,943,001
Miscellaneous	<u>294,629</u>	<u>704,576</u>
Total operating revenues	<u>27,042,900</u>	<u>20,482,307</u>
EXPENSES:		
Salaries and wages	5,920,065	5,512,954
Professional fees	326,565	226,744
Administrative and general	2,443,781	2,126,699
Materials and supplies	59,827	89,738
Depreciation	1,245,232	1,507,657
Interest	1,831,585	1,704,228
Bad debts	204,346	—
Subsidies for community services, special programs and real estate operations	<u>14,456,203</u>	<u>9,288,053</u>
Total operating expenses	<u>26,487,604</u>	<u>20,456,073</u>
Net income (loss)	555,296	26,234
Fund equity, beginning of year	<u>6,162,428</u>	<u>6,136,194</u>
Fund equity, at end of year	\$ <u><u>6,717,724</u></u>	\$ <u><u>6,162,428</u></u>

Exhibit D-12

ECONOMIC DEVELOPMENT INDUSTRIAL CORPORATION

Comparative Statement of Cash Flows

Year Ended June 30, 1993 and 1992

	<u>1993</u>	<u>1992</u>
Cash Flows From Operating Activities:		
Operating income (loss)	\$ 555,296	\$ 26,234
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	1,245,232	1,507,657
Provisions for bad debt	204,346	125,000
Changes in operating assets and liabilities:		
Accounts receivable	626,340	(1,149,389)
Intergovernmental receivable	(369,966)	38,353
Other assets	(519,319)	45,852
Accounts payable	353,691	(18,195)
Intergovernmental payable	728,657	-
Other accrued liabilities	19,735	239,569
Deferred revenue	42,072	359,520
Cash provided by operating activities	<u>2,886,084</u>	<u>1,174,601</u>
Cash Flows From Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(1,754,526)	(2,388,726)
Proceeds from debt	-	37,400
Payments received on loan receivable	145,852	103,011
Repayment of long-term debt	(176,375)	-
Payment of lease obligations	(121,645)	-
Principal paid on debt maturities	-	(301,380)
Acquisition of capital leases	42,783	23,473
Cash provided (used) by capital and related financing activities	<u>(1,863,911)</u>	<u>(2,526,222)</u>
Increase (decrease) in cash and cash equivalents	1,022,173	(1,351,621)
Cash and cash equivalents, beginning of year	<u>9,862,246</u>	<u>11,213,867</u>
Cash and cash equivalents, end of year	\$ <u>10,884,419</u>	\$ <u>9,862,246</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ <u>1,850,011</u>	\$ <u>1,886,196</u>

TRUST AND AGENCY FUNDS

PENSION TRUSTS

State-Boston Retirement System is a defined benefit contributory retirement plan covering employees of the City of Boston, Department of Health and Hospitals, Boston Housing Authority, Boston Redevelopment Authority and the Boston Water and Sewer Commission. The system is subject to benefit provisions and financing requirements set forth primarily in Chapter 32 of the Massachusetts General Laws.

Boston Retirement System is the independent contributory plan system available exclusively to City of Boston employees who were employed prior to October 1, 1946.

NONEXPENDABLE TRUST FUNDS

City Funds are used for the maintenance and improvement of the City's parks and cemeteries and the erection and maintenance of statues and monuments for the use and enjoyment of City residents.

School Funds used for scholarship awards, the purchase of educational equipment and the aid of needy students.

George Robert White Fund was formed by the will of George R. White dated May 21, 1920. The will requires that the Fund's income is used for the creation of public utility and beauty for the use and enjoyment of the inhabitants of the City.

Trustees of the Boston Public Library Fund represent bequests in the form of endowments with income restricted to donor-designated purposes or to the general purposes of the Boston Public Library.

EXPENDABLE TRUST FUNDS

City Funds, School Funds, George Robert White Fund and the Trustees of the Boston Public Library Fund account for the accumulated interest and dividends generated from the Nonexpendable Trust Funds awaiting expenditure or reinvestment of principal and income.

Neighborhood Housing Fund established to support the creation and preservation of affordable housing for low and moderate income residents of Boston. Developers of certain large-scale commercial real estate projects in the City are required to make contributions in the form of payments to the Fund.

Neighborhood Jobs Fund established to protect and provide employment opportunities for low and moderate income residents of Boston. As mandated by the Boston Zoning Code developers of certain large-scale commercial real estate projects in the City are required to make contributions to the Fund over a two year period.

Law Enforcement Trust Fund accounts for proceeds from property seized from illegal drug related activities. Funds can be used to defray the costs of protracted investigations, to provide technical equipment or expertise, and provide matching funds for federal grants.

Trustees of Health and Hospital Funds represent bequests in the form of endowments with income restricted to donor-designated purposes or to the general purposes of the Boston City Hospital.

Blue Cross Blue Shield Fund accounts for contributions received for both employer and employee to pay for health insurance costs to Blue Cross Blue Shield.

AGENCY FUND

Boston Redevelopment Authority accounts for resources received and held by the Authority as an agent for other entities including Urban Development Action Grants and other funds for housing initiatives.

Exhibit E-1

TRUST and AGENCY FUNDS

Combining Balance Sheet

June 30, 1993

	Pension Trust Funds		Total
	State/Boston Retirement System	Boston Retirement System	
ASSETS			
Cash and investments	\$ 1,274,495,000	\$ 709,476	\$ 1,275,204,476
Restricted cash	-	-	-
Receivables (net, of allowances for uncollectibles):			
Intergovernmental	10,627,000	-	10,627,000
Accounts	15,424,000	-	15,424,000
Notes	-	-	-
Total receivables	<u>26,051,000</u>	<u>-</u>	<u>26,051,000</u>
Due from other funds	7,848,000	122,426	7,970,426
Other assets	-	-	-
Property, plant and equipment	-	-	-
Total assets	<u>\$ 1,308,394,000</u>	<u>\$ 831,902</u>	<u>\$ 1,309,225,902</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Warrants and accounts payable	\$ 20,713,000	\$ -	\$ 20,713,000
Other accrued liabilities	118,000	-	118,000
Due to other funds	-	-	-
Bonds and notes payable	-	-	-
Total liabilities	<u>20,831,000</u>	<u>-</u>	<u>20,831,000</u>
Fund Balance:			
Reserved for:			
Encumbrances	-	-	-
Employee retirement system	1,287,563,000	831,902	1,288,394,902
Unreserved:			
Designated	-	-	-
Undesignated	-	-	-
Total fund balance	<u>1,287,563,000</u>	<u>831,902</u>	<u>1,288,394,902</u>
Total liabilities and fund balance	<u>\$ 1,308,394,000</u>	<u>\$ 831,902</u>	<u>\$ 1,309,225,902</u>

City of Boston, Massachusetts

Nonexpendable Trust Funds				
City Funds	School Funds	George Robert White Fund	Trustees of the Public Library	Total
\$ 25,913,362	\$ 607,199	\$ 13,096,045	17,410,506	\$ 57,027,112
-	-	-	-	-
-	-	-	-	-
30,183	-	-	-	30,183
-	-	-	-	-
30,183	-	-	-	30,183
-	-	-	-	-
-	-	-	-	-
60,000	-	131,162	-	191,162
<u>\$ 26,003,545</u>	<u>\$ 607,199</u>	<u>\$ 13,227,207</u>	<u>\$ 17,410,506</u>	<u>\$ 57,248,457</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	205	-	41,718	41,923
-	6	-	-	6
-	-	-	-	-
-	211	-	41,718	41,929
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
26,003,545	606,988	13,227,207	17,368,788	57,206,528
<u>26,003,545</u>	<u>606,988</u>	<u>13,227,207</u>	<u>17,368,788</u>	<u>57,206,528</u>
<u>\$ 26,003,545</u>	<u>\$ 607,199</u>	<u>\$ 13,227,207</u>	<u>\$ 17,410,506</u>	<u>\$ 57,248,457</u>

(continued)

Exhibit E-1 (continued)

TRUST and AGENCY FUNDS

Combining Balance Sheet

June 30, 1993

	Expendable Trust Funds			
	<u>City Funds</u>	<u>School Funds</u>	<u>George Robert White Fund</u>	<u>Trustees of the Public Library</u>
ASSETS				
Cash and investments	\$ 12,355,896	\$ 209,780	\$ 3,154,813	\$ 4,453,758
Restricted cash	-	-	-	-
Receivables (net, of allowances for uncollectibles):				
Intergovernmental	-	-	-	-
Accounts	197,186	-	-	-
Notes	-	-	552,500	-
Total receivables	<u>197,186</u>	<u>-</u>	<u>552,500</u>	<u>-</u>
Due from other funds	-	-	-	-
Othe assets	-	-	-	-
Property, plant and equipment	-	-	-	-
Total assets	<u>\$ 12,553,082</u>	<u>\$ 209,780</u>	<u>\$ 3,707,313</u>	<u>\$ 4,453,758</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Warrants and accounts payable	\$ -	\$ -	\$ -	\$ -
Other accrued liabilities	160,430	-	401,149	54,008
Due to other funds	884,029	1,050	456,569	-
Bonds and notes payable	-	-	-	-
Total liabilities	<u>1,044,459</u>	<u>1,050</u>	<u>857,718</u>	<u>54,008</u>
Fund Balance:				
Reserved for:				
Encumbrances	3,934,993	-	2,849,595	-
Employee retirement system	-	-	-	-
Unreserved:				
Designated	-	-	-	-
Undesignated	7,573,630	208,730	-	4,399,750
Total fund balance	<u>11,508,623</u>	<u>208,730</u>	<u>2,849,595</u>	<u>4,399,750</u>
Total liabilities and fund balance	<u>\$ 12,553,082</u>	<u>\$ 209,780</u>	<u>\$ 3,707,313</u>	<u>\$ 4,453,758</u>

City of Boston, Massachusetts

Expendable Trust Funds					
Law Enforcement Trust Fund	Trustees of Health & Hospitals	Neighborhood Housing Fund	Neighborhood Jobs Fund	Blue Cross/ Blue Shield Trust Fund	Total
\$ 297,622	\$ 16,120,395	\$ 2,042,551	\$ 1,196,385	\$ (1,365,994)	\$ 38,465,206
-	-	709,332	-	-	709,332
-	-	-	-	-	-
-	-	488,256	8,299	700,000	1,393,741
-	-	8,351,457	-	-	8,903,957
-	-	8,839,713	8,299	-	9,597,698
-	-	-	-	1,468,801	1,468,801
-	-	-	-	83,591	83,591
-	-	-	-	-	-
<u>\$ 297,622</u>	<u>\$ 16,120,395</u>	<u>\$ 11,591,596</u>	<u>\$ 1,204,684</u>	<u>\$ 186,398</u>	<u>\$ 50,324,628</u>
\$ -	\$ -	\$ -	\$ -	\$ 129,507	\$ 129,507
-	581,728	7,699	9,874	-	1,214,888
-	-	-	-	-	1,341,648
-	-	6,901,065	-	-	6,901,065
-	581,728	6,908,764	9,874	129,507	9,587,108
-	-	-	-	-	-
-	-	-	-	-	6,784,588
-	-	-	-	-	-
297,622	15,538,667	4,682,832	1,194,810	756,891	34,652,932
<u>297,622</u>	<u>15,538,667</u>	<u>4,682,832</u>	<u>1,194,810</u>	<u>756,891</u>	<u>41,437,520</u>
<u>\$ 297,622</u>	<u>\$ 16,120,395</u>	<u>\$ 11,591,596</u>	<u>\$ 1,204,684</u>	<u>\$ 886,398</u>	<u>\$ 51,024,628</u>

(continued)

Exhibit E-1 (continued)

TRUST and AGENCY FUNDS

Combining Balance Sheet

June 30, 1993

	Agency Funds		
	Boston Redevelopment Authority	Totals	
		1993	1992
ASSETS			
Cash and investments	\$ 3,078,842	\$ 1,373,775,636	\$ 1,255,349,503
Restricted cash	—	709,332	754,564
Receivables (net, of allowances for uncollectibles):			
Intergovernmental	104,626	10,731,626	8,983,150
Accounts	28,195	16,876,119	18,433,209
Notes	38,756,888	47,660,845	37,003,071
Total receivables	38,889,709	75,268,590	64,419,430
Due from other funds	378,433	9,817,660	16,000,506
Othe assets	—	83,591	—
Property, plant and equipment	—	191,162	191,162
Total assets	\$ 42,346,984	\$ 1,459,845,971	\$ 1,336,715,165
LIABILITIES AND FUND BALANCE			
Liabilities:			
Warrants and accounts payable	\$ —	\$ 20,842,507	\$ 14,569,627
Other accrued liabilities	41,734,951	43,109,762	38,552,332
Due to other funds	612,033	1,953,687	1,778,264
Bonds and notes payable	—	6,901,065	8,096,032
Total liabilities	42,346,984	72,807,021	62,996,255
Fund Balance:			
Reserved for:			
Encumbrances	—	6,784,588	3,122,697
Employee retirement system	—	1,288,394,902	1,183,249,930
Unreserved:			
Designated	—	—	6,953,953
Undesignated	—	91,859,460	80,392,330
Total fund balance	—	1,387,038,950	1,273,718,910
Total liabilities and fund balance	\$ 42,346,984	\$ 1,459,845,971	\$ 1,336,715,165

Exhibit E-2

PENSION TRUSTS

Combining Statement of Revenues, Expenses and Changes in Fund Equity
Year Ended June 30, 1993

	State/Boston Retirement System	Boston Retirement System	Totals	
			1993	1992
REVENUES:				
Investment Income	\$ 43,338,000	\$ 21,078	\$ 43,359,078	\$ 46,915,057
Net appreciation (depreciation) in fair market value of investments	16,080,000	-	16,080,000	149,666,000
Contributions and donations	207,934,000	122,427	208,056,427	177,436,000
Intergovernmental	24,083,000	-	24,083,000	20,151,900
Miscellaneous	60,000	-	60,000	40,514
Total operating revenues	291,495,000	143,505	291,638,505	394,209,471
EXPENSES:				
Professional fees	-	-	-	67,000
Administrative and general	1,262,000	-	1,262,000	1,411,000
Benefits paid	169,048,000	484,533	169,532,533	159,156,532
Members refunds, transfers and reimbursements to other systems	15,699,000	-	15,699,000	15,105,000
Total operating expenses	186,009,000	484,533	186,493,533	175,739,532
Excess (deficiency) of revenues over expenses	105,486,000	(341,028)	105,144,972	218,469,939
Fund equity, beginning of year	1,182,077,000	1,172,930	1,183,249,930	964,779,991
Fund equity, end of year	\$ 1,287,563,000	\$ 831,902	\$ 1,288,394,902	\$ 1,183,249,930

Exhibit E-3

NONEXPENDABLE TRUSTS

Combining Statement of Revenues and Expenses and Changes in Fund Equity
Year Ended June 30, 1993

	City Funds	School Funds	George Robert White Fund	Trustees of the Public Library	Totals
					1993 1992
REVENUES:					
Investment Income	\$ 2,626,817	\$ 25,953	\$ 1,717,640	\$ 1,584,936	\$ 5,955,346 \$ 5,818,437
Contributions and donations	-	-	-	132,457	132,457 650,814
Miscellaneous	64,122	781	-	182,660	247,563 268,585
Total operating revenues	2,690,939	26,734	1,717,640	1,900,053	6,335,366 6,737,836
EXPENSES:					
Professional fees	37,957	5,495	-	-	43,452 2,200
Administrative and general	1,502	926	-	-	2,428 7,255
Libraries	-	-	-	562,238	562,238 820,535
Scholarships and awards	-	9,687	-	-	9,687 13,850
Total operating expenses	39,459	16,108	-	562,238	617,805 843,840
Operating income (loss)	2,651,480	10,626	1,717,640	1,337,815	5,717,561 5,893,996
Operating transfers (to) from:					
Trust funds	(1,316,074)	(12,431)	(674,405)	(638,864)	(2,641,774) (2,731,491)
Net income	1,335,406	(1,805)	1,043,235	698,951	3,075,787 3,162,505
Fund equity, beginning of year	24,668,139	608,793	12,183,972	16,669,837	54,130,741 50,968,236
Fund equity, end of year	\$ 26,003,545	\$ 606,988	\$ 13,227,207	\$ 17,368,788	\$ 57,206,528 \$ 54,130,741

Exhibit E-4

NONEXPENDABLE TRUSTS
Combining Statement of Cash Flows
Year Ended June 30, 1993

	City Funds	School Funds	George Robert White Fund	Trustees of the Public Library	Totals
					1993 1992
Cash flows from operating activities:					
Operating income (loss)	\$ 2,651,480	\$ 10,626	\$ 1,717,640	\$ 1,337,815	\$ 5,717,561
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					\$ 5,893,996
Changes in operating assets and liabilities:					
Investments	(1,052,766)	14,271	(1,053,534)	(534,684)	(3,118,405)
Accounts receivable	(2,028)	-	-	-	(2,028)
Other accrued liabilities	-	(273)	-	41,718	41,445
Cash provided (used) by operating activities	1,596,686	24,624	664,106	844,849	3,130,265
					2,804,980
Cash flows from noncapital financing activities:					
Operating subsidy / transfers in (out)	(1,316,074)	(12,431)	(674,405)	(638,864)	(2,731,491)
Cash provided (used) by noncapital financing activities	(1,316,074)	(12,431)	(674,405)	(638,864)	(2,731,491)
Cash flows from capital and related financing activities:					
Other transfers	-	(9,939)	-	-	(9,939)
Cash (used) by capital and related financing activities	-	(9,939)	-	-	(9,939)
Increase (decrease) in cash and cash equivalents	280,612	2,254	(10,299)	205,985	478,552
Cash and cash equivalents, beginning of year	657,250	522,129	375,390	1,549,443	3,104,212
Cash and cash equivalents, end of year	\$ 937,862	\$ 524,383	\$ 365,091	\$ 1,755,428	\$ 3,582,764
					\$ 3,104,212

Exhibit E-5

EXPENDABLE TRUST FUNDS

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Year Ended June 30, 1993

	City Funds	School Funds	George Robert White Fund	Trustees of the Public Library
REVENUES:				
Investment income	\$ 1,385,622	\$ 7,362	\$ 305,069	\$ 113,779
Contributions and donations	754,681	-	-	132,638
Other revenue	579,738	-	12,001	12,438
Total revenues	<u>2,720,041</u>	<u>7,362</u>	<u>317,070</u>	<u>258,855</u>
EXPENDITURES:				
General government	415,729	10,365	202,482	-
Human services	-	-	-	-
Public works	-	-	1,734,644	-
Parks and recreation	2,067,893	-	-	-
Library	-	-	-	1,464,387
Schools	-	46,170	-	-
Other employee benefits	-	-	-	-
Total expenditures	<u>2,483,622</u>	<u>56,535</u>	<u>1,937,126</u>	<u>1,464,387</u>
Excess (deficiency) of revenues over expenditures	<u>236,419</u>	<u>(49,173)</u>	<u>(1,620,056)</u>	<u>(1,205,532)</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers (to) from:				
General fund	(1,418,076)	-	-	-
Trust funds	1,316,074	12,431	674,405	638,864
Total operating transfers, net	<u>(102,002)</u>	<u>12,431</u>	<u>674,405</u>	<u>638,864</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	134,417	(36,742)	(945,651)	(566,668)
Fund balance (deficit), beginning of year	11,374,206	245,472	3,795,246	4,966,418
Fund balance (deficit), end of year	<u>\$ 11,508,623</u>	<u>\$ 208,730</u>	<u>\$ 2,849,595</u>	<u>\$ 4,399,750</u>

City of Boston, Massachusetts

Law Enforcement Trust Fund	Trustees of Health & Hospitals	Neighborhood Housing Fund	Neighborhood Jobs Fund	Blue Cross/ Blue Shield Trust Fund	Totals	
					1992	1992
\$ -	\$ 1,094,851	\$ 179,055	\$ 25,822	\$ -	\$ 3,111,560	\$ 2,710,930
-	-	-	-	74,943,007	75,830,326	77,178,769
297,622	-	3,885,163	765,670	-	5,552,632	4,747,397
<u>297,622</u>	<u>1,094,851</u>	<u>4,064,218</u>	<u>791,492</u>	<u>74,943,007</u>	<u>84,494,518</u>	<u>84,637,096</u>
-	-	3,318	69,583	-	701,477	1,386,173
-	-	805,589	95,627	-	901,216	1,631,914
-	-	-	-	-	1,734,644	600,841
-	-	-	-	-	2,067,893	1,576,056
-	-	-	-	-	1,464,387	398,196
-	-	-	-	-	46,170	40,019
-	-	-	-	73,218,693	73,218,693	76,340,450
<u>-</u>	<u>-</u>	<u>808,907</u>	<u>165,210</u>	<u>73,218,693</u>	<u>80,134,480</u>	<u>81,973,649</u>
<u>297,622</u>	<u>1,094,851</u>	<u>3,255,311</u>	<u>626,282</u>	<u>1,724,314</u>	<u>4,360,038</u>	<u>2,663,447</u>
-	-	-	-	-	(1,418,076)	(1,800,000)
-	(484,456)	-	-	-	2,157,318	1,593,227
<u>-</u>	<u>(484,456)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>739,242</u>	<u>(206,773)</u>
297,622	610,395	3,255,311	626,282	1,724,314	5,099,280	2,456,674
-	14,928,272	1,427,521	568,528	(967,423)	36,338,240	33,881,566
<u>\$ 297,622</u>	<u>\$ 15,538,667</u>	<u>\$ 4,682,832</u>	<u>\$ 1,194,810</u>	<u>\$ 756,891</u>	<u>\$ 41,437,520</u>	<u>\$ 36,338,240</u>

Exhibit E-6

BOSTON REDEVELOPMENT AUTHORITY - AGENCY FUND
Statement of Changes in Assets and Liabilities
Year Ended September 30, 1992

	Balance September 30, 1991	Additions	Deductions	Balance September 30, 1992
ASSETS				
Cash and investments	\$ 3,549,357	\$ 5,254,104	\$ 5,724,619	\$ 3,078,842
Receivables (net of allowances for uncollectible amounts)				
Intergovernmental	108,697	1,380,353	1,384,424	104,626
Accounts	74,438	13,795	60,038	28,195
Notes	30,748,904	8,692,744	684,760	38,756,888
Total receivables	30,932,039	10,086,892	2,129,222	38,889,709
Due from other funds	566,697	84,095	272,359	378,433
Total assets	\$ 35,048,093	\$ 15,425,091	\$ 8,126,200	\$ 42,346,984
LIABILITIES				
Due to other funds	\$ 658,384	\$ 2,359,456	\$ 2,405,807	\$ 612,033
Other accrued liabilities	34,389,709	9,209,743	1,864,501	41,734,951
Total liabilities	\$ 35,048,093	\$ 11,569,199	\$ 4,270,308	\$ 42,346,984

GENERAL FIXED ASSETS ACCOUNT GROUP

This account group is used to account for the fixed assets owned by the city, exclusive of those relating to proprietary fund operations. Assets are recorded at cost or at amounts considered by management to represent estimated historical cost. In accordance with generally accepted accounting principles for governmental units, depreciation is not required to be recorded on general fixed assets.

Exhibit F-1

Schedule of General Fixed Assets by Source
June 30, 1993

General Fixed Assets:

Land and Buildings	\$ 508,881,453
Furniture and Fixtures	29,815,667
Vehicles and Maintenance Equipment	54,664,917
Machinery and Equipment	<u>26,533,560</u>
Total General Fixed Assets	\$ <u><u>619,895,597</u></u>

Investment in General Fixed Assets from:

Acquisitions on or prior to June 30, 1993 (1)	\$ <u><u>619,895,597</u></u>
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(1) It is not practicable to determine the historical sources of general fixed assets acquired prior to June 30, 1993.

Exhibit F-2

Schedule of General Fixed Assets by Function
Year Ended June 30, 1993

Function	Total	Land & Buildings	Furniture & Fixtures	Vehicles & Maintenance Equipment	Machinery & Equipment
General Government	\$ 13,101,205	124,360	1,598,683	337,871	11,040,290
Human Services	723,064	1,090	182,025	404,749	135,200
Public Safety	77,439,832	42,677,734	2,136,107	28,578,213	4,047,779
Public Works	8,912,017	709,151	225,187	7,514,870	462,809
Property and Development	44,264,452	42,474,966	609,665	845,427	334,395
Parks and Recreation	4,824,518	2,593,214	130,414	1,979,371	121,519
Library	14,066,858	13,329,492	737,366	—	—
Schools	454,758,613	406,971,447	24,000,238	13,945,044	9,841,884
County	1,662,767	—	107,520	1,055,497	499,750
	<u>\$ 619,753,326</u>	<u>508,881,453</u>	<u>29,727,205</u>	<u>54,661,042</u>	<u>26,483,626</u>
Boston Redevelopment Authority	142,271	—	88,463	3,874	49,934
Total	<u>\$ 619,895,597</u>	<u>508,881,453</u>	<u>29,815,667</u>	<u>54,664,917</u>	<u>26,533,560</u>

Note: The fixed assets of the Boston Redevelopment Authority are less depreciation and amortization.



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STATISTICAL SECTION

STATISTICAL INFORMATION

Includes ten-year trend data for revenues, expenditures, taxes, debt ratios and certain supplemental statistical information.

Table-1

General Fund Expenditures by Function (GAAP Basis) (1)

Last Ten Fiscal Years

(In Thousands of \$)

<u>Function</u>		<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>
General Government	\$	35,886	38,825	44,140	43,748	49,930
% of Total		3.7	3.8	4.2	4.3	5.1
% Change		(7.6)	(12.0)	0.9	(12.4)	14.1
Public Safety	\$	235,421	238,625	235,351	236,840	216,169
% of Total		24.0	23.5	22.5	23.4	23.4
% Change		(1.3)	1.4	(0.6)	9.6	9.0
Public Works	\$	53,864	52,862	64,226	65,951	63,644
% of Total		5.5	5.2	6.1	6.5	6.5
% Change		1.9	(17.7)	(2.6)	3.6	(2.0)
Libraries	\$	21,028	20,567	21,814	21,898	21,459
% of Total		2.1	2.0	2.1	2.2	2.2
% Change		2.2	(5.7)	(0.4)	2.0	6.5
Schools	\$	370,832	387,438	396,266	356,635	353,081
% of Total		37.8	38.2	37.9	35.2	35.2
% Change		(4.3)	(2.2)	11.1	1.0	9.4
Retirement Cost	\$	81,499	74,921	78,994	89,948	97,551
% of Total		8.3	7.4	7.6	8.9	8.9
% Change		8.8	(5.2)	(12.2)	(7.8)	(4.9)
Employee Benefits	\$	68,216	66,366	65,836	57,854	51,698
% of Total		7.0	6.5	6.3	5.7	5.7
% Change		2.8	0.8	13.8	11.9	18.1
State & District Assessments	\$	55,163	52,407	51,343	50,308	48,282
% of Total		5.6	5.2	4.9	5.0	5.0
% Change		5.3	2.1	2.1	4.2	3.0
County	\$	11,096	31,673	30,728	27,090	23,434
% of Total		1.1	3.1	2.9	2.7	2.7
% Change		(65.0)	3.1	13.4	15.6	(9.4)
Property & Development	\$	21,543	22,102	25,700	27,746	27,556
% of Total		2.2	2.2	2.5	2.7	2.7
% Change		(2.5)	(14.0)	(7.4)	0.7	25.9
Other (2)	\$	26,696	27,765	31,161	33,832	35,677
% of Total		2.7	2.7	3.0	3.3	3.3
% Change		(3.9)	(10.9)	(7.9)	(5.2)	(17.3)
Total Expenditures	\$	981,244	1,013,551	1,045,559	1,011,850	988,481
% of Total		100.0	100.0	100.0	100.0	100.7
% Change		(3.2)	(3.1)	3.3	2.4	5.8

(1) Includes General Fund expenditures only. Operating Transfers Out have been excluded from all years.

(2) Includes: Parks, Human Services, Judgments and Claims, Miscellaneous, Capital Outlays and Debt Service.

City of Boston, Massachusetts

<u>1988</u>	<u>1987</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>	<u>Function</u>
43,752	38,805	35,140	33,685	33,817	General Government
4.7	4.7	4.9	4.8	5.1	% of Total
12.7	10.4	4.3	(0.4)	(36.5)	% Change
198,234	169,528	133,410	123,537	126,955	Public Safety
21.2	20.7	18.5	17.6	19.0	% of Total
16.9	27.1	8.0	(2.7)	18.7	% Change
64,962	56,317	36,077	37,570	37,960	Public Works
7.0	6.9	5.0	5.3	5.7	% of Total
15.4	56.1	(4.0)	(1.0)	12.7	% Change
20,155	17,688	13,147	12,481	12,271	Libraries
2.2	2.2	1.8	1.8	1.8	% of Total
13.9	34.5	5.3	1.7	18.4	% Change
322,748	284,746	272,118	252,203	232,205	Schools
34.6	34.8	37.7	35.8	34.7	% of Total
13.3	4.6	7.9	8.6	9.8	% Change
102,561	92,466	85,677	92,461	81,309	Retirement Cost
11.0	11.3	11.9	13.1	12.2	% of Total
10.9	7.9	(7.3)	13.7	16.4	% Change
43,791	32,880	29,546	33,284	27,323	Employee Benefits
4.7	4.0	4.1	4.7	4.1	% of Total
33.2	11.3	(11.2)	21.8	18.1	% Change
46,868	45,213	45,575	49,692	47,531	State & District Assessments
5.0	5.5	6.3	7.1	7.1	% of Total
3.7	(0.8)	(8.3)	4.5	1.1	% Change
25,867	22,187	18,947	17,416	17,565	County
2.8	2.7	2.6	2.5	2.6	% of Total
16.6	17.1	8.8	(0.8)	10.5	% Change
21,890	19,140	14,629	15,724	17,326	Property & Development
2.3	2.3	2.0	2.2	2.6	% of Total
14.4	30.8	(7.0)	(9.2)	-	% Change
43,131	40,014	37,127	35,594	34,129	Other (2)
4.6	4.9	5.1	5.1	5.1	% of Total
7.8	7.8	4.3	4.3	(66.3)	% Change
933,959	818,984	721,393	703,647	668,391	Total Expenditures
100.0	100.0	100.0	100.0	100.0	% of Total
14.0	13.5	2.5	5.3	(0.7)	% Change

Table-2

General Fund Revenues by Source (GAAP Basis) (1)
Last Ten Fiscal Years
(In Thousands of \$)

<u>Source</u>		<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>
Property Taxes	\$	586,532	564,165	530,163	477,296	454,239
% of Total		53.1	51.1	47.5	42.7	41.6
% Change		4.0	6.4	11.1	5.1	(9.1)
M.V. Excise Taxes	\$	30,146	18,972	19,021	27,084	25,818
% of Total		2.7	1.7	1.7	2.4	2.4
% Change		58.9	(0.3)	(29.8)	4.9	40.6
Other Excises (2)	\$	25,451	24,516	27,920	21,050	26,541
% of Total		2.3	2.2	2.5	1.9	2.4
% Change		3.8	(12.2)	32.6	(20.7)	8.0
Departmental & Other	\$	33,066	30,829	36,406	45,080	41,740
% of Total		3.0	2.8	3.3	4.0	3.8
% Change		7.3	(15.3)	(19.2)	8.0	(1.2)
State Distributions	\$	305,908	327,330	369,819	419,790	406,353
% of Total		27.7	29.6	33.1	37.5	37.2
% Change		(6.5)	(11.5)	(11.9)	3.3	6.2
Payment in Lieu of Taxes	\$	49,115	63,952	51,377	53,557	50,373
% of Total		4.4	5.8	4.6	4.8	4.6
% Change		(23.2)	24.5	(4.1)	6.3	(2.7)
Fines	\$	51,157	48,724	52,304	43,872	41,986
% of Total		4.6	4.4	4.7	3.9	3.8
% Change		5.0	(6.8)	19.2	4.5	3.5
Investment Income	\$	8,755	10,167	15,902	16,918	25,429
% of Total		0.8	0.9	1.4	1.5	2.3
% Change		(13.9)	(36.1)	(6.0)	(33.5)	11.2
Licenses & Permits	\$	16,353	16,057	13,492	14,075	19,384
% of Total		1.5	1.5	1.2	1.3	1.8
% Change		1.8	19.0	(4.1)	(27.4)	(3.0)
Total Revenues	\$	1,106,482	1,104,712	1,116,404	1,118,722	1,091,863
% of Total		100.2	100.0	100.0	100.0	100.0
% Change		0.2	(1.0)	(0.2)	2.5	(1.0)

(1) Includes only revenues recorded in the General Fund. Operating Transfers In have been excluded from all years.

(2) Other excise taxes are comprised of hotel/motel and aircraft fuel excises taxes.

City of Boston, Massachusetts

<u>1988</u>	<u>1987</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>	<u>Source</u>
499,607	357,558	319,823	338,022	305,882	Property Taxes
45.3	39.1	39.6	43.4	45.0	% of Total
39.7	11.8	(5.4)	10.5	(20.0)	% Change
18,358	18,633	13,915	9,356	9,511	M.V. Excise Taxes
1.7	2.0	1.7	1.2	1.4	% of Total
(1.5)	33.9	48.7	(1.6)	16.7	% Change
24,575	23,688	16,961	—	—	Other Excises (2)
2.2	2.6	2.1	—	—	% of Total
3.7	39.7	100.0	—	—	% Change
42,253	33,621	35,672	25,628	23,395	Departmental & Other
3.8	3.7	4.4	3.3	3.4	% of Total
25.7	(5.7)	39.2	9.5	(10.2)	% Change
382,746	358,896	307,425	299,555	267,406	State Distributions
34.7	39.2	38.0	38.5	39.3	% of Total
6.6	16.7	2.6	12.0	12.9	% Change
51,788	46,632	41,783	48,826	24,364	Payment in Lieu of Taxes
4.7	5.1	5.2	6.3	3.6	% of Total
11.1	11.6	(14.4)	100.4	(34.1)	% Change
40,559	36,878	33,931	29,170	25,906	Fines
3.7	4.0	4.2	3.7	3.8	% of Total
10.0	8.7	16.3	12.6	0.0	% Change
22,870	20,215	21,324	16,127	13,375	Investment Income
2.1	2.2	2.6	2.1	2.0	% of Total
13.1	(5.2)	32.2	20.6	185.3	% Change
19,990	18,592	17,817	12,062	10,170	Other (3)
1.8	2.0	2.2	1.5	1.5	% of Total
7.5	4.3	47.7	18.6	5.9	% Change
1,102,746	914,713	808,651	778,746	680,009	Total Revenues
100.0	100.0	100.0	100.0	100.0	% of Total
20.6	13.1	3.8	14.5	(6.9)	% Change

Table--3
Property Tax Levies and Collections
 Last Ten Fiscal Years
 (In Millions of \$)

Fiscal Year	Tax Levy			Tax Levy Collected Within Year of Levy				Tax Levy Net of Refunds Collected as of June 30				All Taxes Collected in Fiscal Year	
	Gross(1)	Net	Net % Gross	Gross Amount	Gross Levy	Net Levy	%	Gross Levy	Net Amount	Gross Levy	Net Levy	%	Net Amount
1984	\$ 333.3	\$ 312.3	93.7	\$ 311.0	93.3	99.6		\$ 291.9	\$	87.6	93.5		\$ 408.1 (2)
1985	363.9	345.6	95.0	340.6	93.6	98.6		323.3		88.8	93.5		306.7
1986	395.3	370.0	93.6	376.0	95.1	101.6		356.9		90.3	96.5		180.6
1987	422.5	394.6	93.4	407.1	96.4	103.2		386.3		91.4	97.9		590.0 (3)
1988	452.5	425.6	94.1	422.4	93.3	99.2		415.6		91.8	97.7		420.0
1989	484.5	460.2	95.0	456.2	94.2	99.1		451.4		93.2	98.1		415.0
1990	521.0	495.0	95.0	487.1	93.5	98.4		489.3		93.9	98.8		470.5
1991	555.6	529.2	95.2	517.8	93.2	97.8		506.4		91.1	95.7		510.3
1992	587.0	559.2	95.3	554.1	94.4	99.1		548.9		93.5	98.2		538.0
1993	627.4	593.4	94.6	594.3	94.7	100.2		592.5		94.4	99.8		582.2

(1) Includes omitted assessments assessed in all fiscal years.

(2) Includes amounts collected on the fiscal 1983 tax levy.

(3) Includes amounts collected on the fiscal 1986 tax levy.

Source: City of Boston Treasury Department

Table—4
Assessed and Estimated Market Value of All Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property (1)			Personal Property			Total		
	Assessed Value	Per Capita		Assessed Value	Per Capita		Assessed Value (2)	Per Capita	Population (3)
1984	\$ 11,202,181,007	\$ 19,628	\$	1,821,847,318	\$ 3,192	\$	13,024,028,325	22,820	570,719
1985	13,218,885,271	23,162		1,577,990,719	2,765		14,796,875,990	25,927	570,719
1986	17,991,130,089	31,365		1,681,352,676	2,931		19,672,482,765	34,297	573,600
1987	21,775,401,986	37,963		1,734,251,712	3,023		23,509,653,698	40,986	573,600
1988	26,264,874,473	45,454		1,746,614,718	3,023		28,011,489,191	48,477	577,830
1989	32,126,544,484	55,599		1,205,971,359	2,087		33,332,515,843	57,686	577,830
1990	32,449,286,694	56,157		1,223,936,350	2,118		33,673,223,044	58,275	577,830
1991	32,828,942,888	57,165		1,336,554,316	2,327		34,165,497,204	59,492	574,283
1992	26,338,862,430	45,864		1,519,099,161	2,645		27,857,961,591	48,509	574,283
1993	25,543,475,800	44,479		1,744,726,300	3,038		27,288,202,100	47,517	574,283

(1) Exempt residential properties not included.

(2) The assessed valuation of taxable property reflects 100% of the full and fair cash value.

(3) Population estimates are from Bureau of the Census.

Source: City of Boston Assessing Department



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Table-5

Property Tax Rates
Direct and Overlapping Governments (1)
Last Ten Fiscal Years

Fiscal Year	Class	Schools	City General	Total	% Change
1984	Residential	6.91	10.19	17.10	(20.4) %
	C.I.P.	13.15	19.39	32.54	(19.3) %
1985	Residential	7.21	9.21	16.42	(4.0) %
	C.I.P.	13.77	17.59	31.36	(3.6) %
1986	Residential	6.39	7.07	13.46	(18.0) %
	C.I.P.	12.28	13.57	25.85	(17.6) %
1987	Residential	5.87	6.15	12.02	(10.7) %
	C.I.P.	11.49	12.06	23.55	(8.9) %
1988	Residential	5.87	4.90	10.77	(10.4) %
	C.I.P.	11.80	9.86	21.66	(8.0) %
1989	Residential	4.32	3.65	7.97	(26.0) %
	C.I.P.	12.16	10.28	22.44	3.6 %
1990	Residential	4.63	3.82	8.45	6.0 %
	C.I.P.	13.09	10.82	23.91	6.6 %
1991	Residential	4.00	4.93	8.93	5.7 %
	C.I.P.	15.00	10.09	25.09	4.9 %
1992	Residential	5.97	5.21	11.18	25.2 %
	C.I.P.	18.30	15.97	34.27	36.6 %
1993	Residential	-	12.88	12.88	15.2 %
	C.I.P.	-	39.99	39.99	16.7 %

(1) Real and personal property tax rates are per \$1,000 of assessed value.
C.I.P. = Commercial, Industrial and Personal Property.

Source: City of Boston Assessing Department

Table--6
Ratio of General Obligation Bonded Debt to Assessed Value
and Net Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Population(1)	Assessed Value (2)	Gross Bonded Debt	Less: Self—		Less: Debt Service Funds	Net Bonded Debt	Ratio of	
				Supporting Debt	Debt to Assessed Value			Net Bonded Debt per Capita	
1984	570,719	\$ 13,024,028,325	\$ 503,793,500	\$ 60,288,500	\$ 19,647,000	\$ 423,858,000	3.25	\$ 742.7	
1985	570,719	14,796,875,990	530,778,356	59,208,500	24,549,000	447,020,856	3.02	783.3	
1986	573,600	19,672,482,765	548,748,356	55,353,500	34,739,000	458,655,856	2.33	795.9	
1987	573,600	23,509,653,698	510,833,356	51,353,500	105,610,000	353,869,856	1.51	614.0	
1988	577,830	28,011,489,191	455,578,500	46,248,500	114,709,000	294,621,000	1.05	509.9	
1989	577,830	33,332,515,843	506,503,500	40,308,500	87,934,000	378,261,000	1.13	654.6	
1990	577,830	33,673,223,044	516,323,500	9,518,500 (3)	54,468,000	452,337,000	1.34	782.8	
1991	574,283	34,165,497,204	548,690,000	8,920,000	7,790,000	531,980,000	1.56	926.3	
1992	574,283	27,857,961,591	566,225,000	6,680,000	5,948,000	553,597,000	1.99	964.0	
1993	574,283	27,288,202,100	524,480,000	5,050,000	4,680,000	514,750,000	1.89	896.3	

(1) Population estimates are from Bureau of the Census.

(2) Beginning with 1983 the assessed valuation reflects 100% of the full and fair cash value.

(3) The Funding Loan Act of 1982 Bonds which were outstanding as of June 30, 1989, in the amount of \$30.2 million were redeemed in full on July 1, 1989.

Table-7

Computation of Legal Debt Margin

June 30, 1993

Equalized Valuation as of January 1, 1990 (1)	\$ 37,924,352,000	
	2.5%	5.0%
Maximum debt limits as of July 1, 1992	\$ 948,108,800	\$ 1,896,217,600
Less: Debt outstanding June 30, 1992 (2)	340,814,926	340,814,926
Less: Debt authorized but unissued June 30, 1992	206,529,316	206,529,316
Add: Sinking Fund surplus for debt retirement	49,372	49,372
Debt incurring capacity as of July 1, 1992	400,813,930	1,348,922,730
Add: Debt redeemed during fiscal 1993	22,100,271	22,100,271
Less: City council authorizations during fiscal 1993	40,200,000	40,200,000
Add: Refunding Issue February 1, 1993: Refunded	43,659,864	43,659,864
Less: Refunding Issue February 1, 1993: Refunding	50,274,112	50,274,112
Debt incurring capacity as of June 30, 1993	\$ 376,099,953	\$ 1,324,208,753

(1) Includes the value of Chapter 121A tax agreement properties.

(2) The laws of the Commonwealth of Massachusetts provide for general debt limits for the City, consisting of a Normal Debt Limit and a Double Debt Limit. The Normal Debt Limit is 2.5% of the assessed valuation of taxable property in the City as last equalized by the State Department of Revenue, and may authorize debt up to this limit without State approval. The City can also authorize debt up to twice this amount (the Double Debt Limit) with the approval of the State Emergency Finance Board.

Table—8

**Computation of Direct and Overlapping Bonded Debt
General Obligation Bonds**

June 30, 1993

Boston's Direct Debt	Gross Bonded Debt	Payable from Related Revenues (1)	Net Bonded Debt
Issued for the Purpose of:			
Acquisition of Land; Parks/Playgrounds	\$ 28,859,901	\$ —	\$ 28,859,901
Automatic Traffic Control Signals	1,862,507	—	1,862,507
Departmental Equipment	20,807,104	—	20,807,104
Remodeling and Repairs	97,757,714	—	97,757,714
Suffolk County	4,460,561	1,090,461	3,370,100
Economic Development	7,774,911	—	7,774,911
Parking Facilities	6,689,868	—	6,689,868
State Urban Development — Relocation	48,304,769	—	48,304,769
Schools	150,785,288	97,299,790	53,485,498
Public Buildings	76,796,108	—	76,796,108
Public Works	74,956,468	—	74,956,468
Acquisition of Land; Cemeteries	374,801	374,801	—
Sewer	535,000	535,000	—
Water	245,000	245,000	—
Rapid Transit	4,270,000	4,270,000	—
Total Direct Debt	\$ 524,480,000	\$ 103,815,052	420,664,948
Overlapping Debt	Principal Amount	% Applicable to Boston	
Mass. Bay Transportation Authority	\$ 246,364,169	42.34 %	104,310,589
Total Direct and Overlapping Debt			\$ 524,975,537

(1) Includes revenues related to or derived from facilities for which the debt was incurred. Such revenues include: (i) payments from the State for debt service on bonds issued for Suffolk County Courthouse buildings; (ii) state grants for school construction assistance pursuant to the State's Construction Aid Project; (iii) cemetery receipts which are currently collected in the General Fund; (iv) Payments from the Boston Water and Sewer Commission for debt service on outstanding water and sewer bonds; and (v) receipts from the City's Board of Commissioners of Sinking Funds (and under certain circumstances, the MBTA) in amounts sufficient to pay debt service on outstanding Rapid Transit Bonds.

Source: City of Boston Auditing Department and MBTA.

Table-9

**Ratio of Annual Debt Service Expenditures for
 General Bonded Debt to Total General Fund Expenditures
 Last Ten Fiscal Years
 (GAAP Basis)
 (In Thousands of \$)**

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total (1) General Fund Expenditures</u>	<u>Ratio of Debt Service to General Fund Expenditures</u>
1984	\$	42,556	\$ 28,299	\$ 70,855	\$ 668,391	10.6 %
1985		45,116	31,162	76,278	708,647	10.8
1986		47,072	35,799	82,871	721,393	11.5
1987		48,624	37,357	85,981	818,984	10.5
1988		50,702	35,035	85,737	933,959	9.2
1989		67,872	33,061	100,933	988,481	10.2
1990		81,034	29,444	110,478	1,011,850	10.9
1991		50,579	32,317	82,896	1,045,559	7.9
1992		53,180	32,812	85,992	1,013,551	8.5
1993		53,585	34,463	88,048	981,244	8.9

(1) Operating Transfers Out have been excluded from all years.

Table-10

Largest Taxpayers (1)

	<u>Personal</u>	<u>Real</u>	<u>Total</u>	<u>Fiscal</u>
	<u>Property</u>	<u>Property</u>	<u>Assessed</u>	<u>1993</u>
			<u>Value</u>	<u>Taxes</u>
Boston Edison Company	\$ 673,880,200	\$ 88,033,870	\$ 761,914,070	\$ 30,468,944
John Hancock Mutual Life Insurance Company		346,726,200	346,726,200	13,965,581
Prudential Insurance Company (2)		592,655,300	592,655,300	13,195,260
New England Telephone and Telegraph	226,277,600	95,163,900	321,441,500	12,854,446
Fort Hill Associates		241,423,500	241,423,500	9,654,526
Olympia & York State Street Company		182,789,500	182,789,500	7,309,752
Dewey Square Tower Associates (2)		181,156,500	181,156,500	7,244,448
UIDC of Massachusetts, Inc.		177,670,000	177,670,000	7,105,023
Equitable Federal Street Realty Company		173,982,400	173,982,400	6,957,556
Bertram A. Druker Trust		173,434,200	173,434,200	6,411,733
Massport (2)		471,244,100	471,244,100	6,017,739
Harold Brown (2)		162,588,200	162,588,200	5,455,544
One Federal Street		134,237,500	134,237,500	5,368,158
125 High Street		130,355,000	130,355,000	5,212,896
Post Office Square Co. (2)		158,583,000	158,583,000	5,142,066
Boston Gas Company	98,869,700	25,001,000	123,870,700	4,953,589
Hexalon Real Estate, Inc.		98,182,000	98,182,000	3,926,298
Equitable Life Assurance Company		95,550,000	95,550,000	3,821,045
500 Boylston West		95,498,000	95,498,000	3,818,965
75 Federal Street Associates		85,592,000	85,592,000	3,422,824
Federal Reserve Bank of Boston		83,321,000	83,321,000	3,332,007
Charles River Park		126,622,600	126,622,600	3,264,756
75 State Street		78,264,500	78,264,500	3,129,797
Marriott Urban Lessee		72,315,000	72,315,000	2,891,877
Faneuil Hall Market Lessee		69,722,500	69,722,500	2,788,203
Richard H. Rubin Trust		66,982,000	66,982,000	2,678,610
Maxwell S. Beal Trust		66,965,500	66,965,500	2,677,950
Rose David, et al		66,790,900	66,790,900	2,670,968
Rowes Wharf Associates		65,571,000	65,571,000	2,622,184

(1) This table is compiled through a literal search of the named owner or owners of all major property in the City. This methodology does not locate parcels owned by affiliates nor does it differentiate between levels of ownership in a particular parcel.

(2) Includes in-lieu-of tax payments received from a taxpayer constituted as an urban redevelopment corporation organized under Chapter 121A of the Massachusetts General Laws.

Source: City of Boston Assessing and Treasury Departments.

Table 11

Boston's Largest Private Sector Employers

<u>Employer</u>	<u>Employer</u>
Bank of Boston Corporation	FMR Corp. (Fidelity Investments)
Blue Cross / Blue Shield of Massachusetts	Gillette Company
Boston University	John Hancock Mutual Life Insurance
Brigham and Women's Hospital	Massachusetts General Hospital
Children's Hospitals	New England Medical Center

The largest private sector employers in the City of Boston as of 1993.

Source: Economic Development and Industrial Corp. of Boston.

Table-12

**Comparative Office Vacancy Rates
20 Largest Downtown Office Markets
As of September 31, 1993**

<u>City</u>	<u>Vacancy Rate</u>	<u>City</u>	<u>Vacancy Rate</u>
Washington, D.C.	9.3 %	Chicago	19.8 %
San Francisco	12.9	Kansas City	20.7
Manhattan, Midtown	13.2	Phoenix	20.7
Seattle	13.5	Detroit	20.8
Boston	14.6	Houston	20.9
Minneapolis - St. Paul	16.0	Baltimore	21.7
Philadelphia	16.5	Manhattan, Downtown	21.8
Cincinnati	17.3	Cleveland	22.2
Los Angeles	17.7	Atlanta	23.2
Denver	17.9	Dallas	31.5

National Average 16.9

Source: Boston Redevelopment Authority and Coldwell Banker Commercial Office Index.

Table—13

**Building Permit Revenue and Estimated Construction Activity
Last Ten Fiscal Years**

<u>Year</u>	<u>Building Permit Revenue (1)</u>	<u>Estimated Construction Activity (2)</u>	<u>Est. Construction Activity Adjusted For Inflation (3)</u>
1984	\$ 5,594,683	\$ 658,198,000	\$ 976,680,903
1985	7,435,576	874,773,647	1,246,860,466
1986	14,108,134	1,659,780,471	2,080,852,017
1987	13,504,134	1,588,721,647	2,104,432,339
1988	14,431,173	1,697,785,059	2,145,909,841
1989	11,423,439	1,343,934,000	1,581,466,521
1990	8,119,487	955,233,793	1,066,209,484
1991	6,689,380	786,985,833	830,768,077
1992	9,136,202	1,074,847,236	1,115,255,697
1993	8,832,324	1,039,096,941	1,039,096,908
	<u>\$ 99,274,532</u>	<u>\$ 11,679,356,627</u>	<u>\$ 14,187,532,253</u>
 Annual Average	 \$ 9,927,453	 \$ 1,167,935,663	 \$ 1,418,753,225

- (1) Building permit revenue in current dollars.
- (2) Construction activity estimated by dividing permit revenues by .85%, which is the midpoint between permit fees calculated at .7% of the first \$100,000 and 1% for the remainder.
- (3) Estimated construction activity adjusted to January 1993 constant dollars.

Source: Boston Redevelopment Authority

Table-14
City of Boston Employment Trends by Industry
Last Five Fiscal Years

Industry	1988	1989	1990	% Change 1988-1990	1991	1992	% Change 1988-1992
Fishing, Mining, Agriculture	1,412	1,295	1,247	-3.7%	1,214	1,178	-16.6%
Construction	16,045	15,382	13,054	-15.1%	10,862	10,114	-37.0%
Manufacturing	34,743	33,223	32,084	-3.4%	30,068	27,936	-19.6%
Transportation/Comm./Utilities	37,553	35,424	36,063	1.8%	33,599	35,119	-6.5%
Retail and Wholesale Trade	86,363	85,593	81,332	-5.0%	73,844	72,342	-16.2%
Finance/Insurance/Real Estate	96,695	90,226	87,091	-3.5%	83,261	81,308	-15.9%
Services	259,575	258,257	253,741	-1.7%	243,616	248,097	-4.4%
Government	107,611	106,250	105,041	-1.1%	98,231	94,240	-12.4%
Total	639,997	625,650	609,653	-2.6%	574,695	570,334	-6.4%

1988 to 1991 figures are based on U.S. Bureau of Economic Analysis Series for Suffolk County, (September 1992 Revised Series (BEA Series)), pro-rated to Boston geography. 1992 data are based on Massachusetts Department of Employment and Training data adjusted to BEA Series.

Source: Boston Redevelopment Authority and Massachusetts Department of Employment and Training.

Table—15

Annual Unemployment Rates

City	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>July 1</u>	
										<u>1992</u>	<u>1993</u>
	5.5 %	4.6 %	4.4 %	3.2 %	3.4 %	3.9 %	5.5 %	8.5 %	7.8 %	7.8 %	6.6 %
Boston PMSA (2)	4.1	3.4	3.8	2.7	2.8	3.4	5.1	7.8	7.5	7.6	6.3
Massachusetts	4.8	3.9	3.8	3.2	3.3	4.0	6.0	9.0	8.5	8.8	7.4
New England	4.9	4.4	3.9	3.3	3.2	3.9	5.7	8.0	8.0	8.2	7.1
United States	7.1	7.2	7.0	6.2	5.5	5.3	5.5	6.7	7.4	7.7	7.3

(1) Monthly rates are not seasonally adjusted.

(2) Primary Metropolitan Statistical Area.

Sources: U.S. Bureau of Labor Statistics and Massachusetts Division of Employment Security.

Table-16

**Direct Debt Outstanding
Year Ended June 30, 1993**

	<u>Balance June 30, 1992</u>		<u>General Obligation Refunded Bonds</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>
<u>General Purpose</u>			
Auditorium	395,000	17,533	—
Acquisition of Land, Parks and Playgrounds	29,602,707	15,934,109	(3,256,860)
Automatic Traffic Control Signals	1,927,644	1,024,659	(323,145)
Departmental Equipment	23,785,500	6,136,064	—
New City Hall	3,520,000	402,937	—
Economic Development and Industrial Corp.	8,080,038	4,076,920	(2,417,185)
Remodeling and Extraordinary Repairs	182,040,056	115,564,364	(24,138,947)
Total General Purpose	249,350,946	143,156,584	(30,136,137)
<u>School Buildings</u>			
Capital Improvements; Acts of 1966	2,450,000	555,148	—
Capital Improvements; Acts of 1973	9,263,574	4,060,768	(3,543,782)
School Project Loan; Act of 1948	73,810,774	26,366,873	(5,371,770)
Total School Buildings	85,524,348	30,982,789	(8,915,552)
<u>Other Public Buildings</u>			
Capital Improvements; Acts of 1966	7,090,000	1,268,847	—
Capital Improvements; Acts of 1973	52,107,668	30,179,634	(12,719,865)
Construction of Buildings; Acq. of Land	23,520,620	13,847,710	(3,976,191)
Total Other Public Buildings	82,718,289	45,296,190	(16,696,056)
<u>Public Works</u>			
Bridges	10,400,243	6,555,459	(1,657,823)
Public Ways	45,414,083	25,437,240	(8,035,970)
Sidewalks	14,121,313	5,657,933	(1,829,695)
Street Lighting	9,272,765	4,188,628	(441,232)
Total Public Works	79,208,403	41,839,259	(11,964,720)
<u>Other</u>			
Urban Redevelopment and Relocation	55,080,506	24,351,194	(12,674,052)
Parking Facilities	7,662,509	1,995,115	(78,483)
Water Mains and Meters	400,000	61,157	—
Sewerage Loan	730,000	149,273	—
Rapid Transit Loans (1)	5,550,000	258,512	—
Total Other	69,423,015	26,815,251	(12,752,535)
Total All Categories	566,225,000	288,090,074	(80,465,000)

(1) Includes \$30,000 in outstanding bonds held by the Board of Commissioners of Sinking Funds.

City of Boston, Massachusetts

General Obligation Refunded Bonds	General Obligation Refunding Bonds		Payments		Balance June 30, 1993	
Interest	Principal	Interest	Principal	Interest	Principal	Interest
-	-	-	180,000	11,313	215,000	6,220
(2,612,593)	3,789,054	2,255,277	1,275,000	1,810,042	28,859,901	13,766,751
(261,628)	373,008	216,455	115,000	114,206	1,862,507	865,280
-	-	-	2,978,395	1,417,802	20,807,105	4,718,262
-	-	-	780,000	138,425	2,740,000	264,512
(1,836,045)	2,756,969	1,432,976	644,911	498,596	7,774,911	3,175,255
(19,827,633)	27,787,208	16,141,984	9,756,220	12,309,487	175,932,097	99,569,228
(24,537,899)	34,706,239	20,046,692	15,729,526	16,299,871	238,191,522	122,365,506
-	-	-	355,000	141,831	2,095,000	413,317
(2,367,178)	4,006,904	1,782,986	808,412	627,050	8,918,284	2,849,526
(4,332,136)	6,195,732	3,349,147	12,724,174	5,239,960	61,910,562	20,143,924
(6,699,314)	10,202,636	5,132,133	13,887,586	6,008,841	72,923,846	23,406,767
-	-	-	2,650,000	423,658	4,440,000	845,189
(10,320,969)	14,616,821	8,083,811	3,891,926	3,411,351	50,112,698	24,531,125
(3,153,569)	4,549,154	2,484,901	1,717,754	1,548,982	22,375,829	11,630,060
(13,474,538)	19,165,975	10,568,712	8,259,680	5,383,991	76,928,528	37,006,373
(1,442,378)	1,923,829	1,156,431	648,128	681,587	10,018,121	5,587,925
(6,753,846)	9,257,941	5,320,269	3,573,652	3,183,711	43,062,402	20,819,952
(1,327,299)	2,081,050	1,020,344	731,122	879,739	13,641,546	4,471,239
(402,892)	512,867	388,868	1,110,000	565,906	8,234,400	3,608,698
(9,926,415)	13,775,687	7,885,912	6,062,902	5,310,943	74,956,468	34,487,813
(9,164,922)	14,366,088	7,058,325	7,032,773	3,822,825	49,739,769	18,421,772
(48,581)	88,375	36,386	982,533	491,040	6,689,868	1,491,880
-	-	-	155,000	28,045	245,000	33,112
-	-	-	195,000	47,903	535,000	101,370
-	-	-	1,280,000	158,325	4,270,000	100,187
(9,213,503)	14,454,463	7,094,711	9,645,306	4,548,138	61,479,637	20,148,321
(63,851,669)	92,305,000	50,728,160	53,585,000	37,551,784	524,480,000	237,414,781

Table – 17

Authorized and Unissued Debt

Balance June 30, 1992.....	\$ 242,147,038	
Add: City Council Authorizations.....	<u>110,030,000</u>	
		\$ 352,177,038
Less: Authorizations Rescinded.....	45,925,000	
Less: Bond Proceeds Applied.....	<u>2,490,737</u>	
		<u>48,415,737</u>
Balance June 30, 1992.....		<u>\$ 303,761,301</u>

City Council Authorizations (Rescissions):	Date	Amount	Authorization
Acquisition of Land; Parks and Playgrounds			
Municipal Outdoor Recreational and Athletic Facilities	6/04/93	4,450,000	C44 s7 (25)
Automatic Traffic Control Signals	6/04/93	1,450,000	C44 s7 (14)
Departmental Equipment Various Departments:			
Fire and Management Information Services Departments	6/04/93	2,275,000	C44 s7 (9)
Remodeling and Repairs to Public Buildings; School Department	6/04/93	13,265,000	C44 s7 (3a)
Construction of Public Buildings – Acquisition of Land; Police Dept.	6/04/93	62,920,000	C44 s7 (3)
Construction of Public Buildings – Acquisition of Land; Police Dept.	4/23/92	(40,820,000)	C44 s7 (3)
Construction of Public Buildings – Acquisition of Land; Police Dept.	4/23/92	(5,105,000)	C44 s7 (3)
Construction of Bridges	6/04/93	1,765,000	C44 s7 (4)
Economic Development and Industrial Corporation	5/14/93	1,340,000	C1097 s11 Act '71
Urban Redevelopment and Renewal Charlestown Navy Yard	5/14/93	3,005,000	C121b s20)
Capital Improvements – Act of '73: Various Departments Including: Police, Fire, Real Property and Public Works	5/14/93	15,425,000	C642 s7b Act of '66 as inserted by: C107 s1 Act of '91
Capital Improvements – Act of '73; Health and Hospitals Department	5/14/93	1,265,000	C642 s7b Act of '66 as inserted by: C107 s1 Act of '91
Capital Improvements – Act of '73: Parks & Recreation Dept.	5/14/93	2,870,000	C642 s7b Act of '66 as inserted by: C107 s1 Act of '91
Bond proceeds transfer		(2,490,737)	C1097 s11 Acts of '71

Table—18

**State—Boston Retirement System
Revenues by Source and Expenses by Type
Required Supplementary Information
(In Thousands of \$)**

Year Ended June 30 (1)	Revenues by Source					Total
	Employee	Employer	Investment	Other		
	Contributions	Contributions	Income	Income (2)		
1983	\$ 26,130	\$ 89,163	\$ 80,359	\$ 5,119	\$ 200,771	
1984	25,529	113,443	2,893	4,925	146,790	
1985	28,461	123,466	93,867	6,029	251,823	
1986	31,017	116,069	134,065	1,233	282,384	
1987	34,961	122,742	55,593	27,628	240,924	
1988	39,197	132,302	(6,495)	12,863	177,867	
1989	46,736	127,968	141,516	10,887	327,107	
1990	50,195	120,890	(21,218)	21,336	171,203	
1991	51,169	126,267	196,536	20,062	394,034	
1992	50,085	157,849	59,418	24,143	291,495	

Year Ended June 30 (1)	Expenses by Type				Total
		Administrative		Other	
	Benefits	Expenses (3)	Refunds	Expenses	
1983	\$ 114,782	\$ 1,382	\$ 8,860	\$ 727	\$ 125,751
1984	114,598	1,657	6,661	8,790	131,706
1985	119,603	1,376	8,830	2,596	132,405
1986	127,096	1,298	8,766	1,704	138,864
1987	133,859	1,286	11,634	3,224	150,003
1988	140,277	3,133	5,670	7,856	156,936
1989	149,936	1,950	10,084	4,423	166,393
1990	155,003	2,017	8,025	4,759	169,804
1991	158,622	1,478	9,855	5,250	175,205
1992	169,048	1,261	10,041	5,658	186,008

(1) Except for 1989 through 1992 which are as of December 31.

(2) Includes reimbursements from the Commonwealth for cost-of-living adjustments.

(3) Includes investment management fees.

Source: City of Boston State—Boston Retirement System.

Table—19

State—Boston Retirement System
Analysis of Funding Progress
Required Supplementary Information
(In Millions of \$)

<u>Year Ended Dec 31.</u>	<u>Net Assets (1) Available for Benefits</u>	<u>Pension Benefit Obligation</u>	<u>Percentage Funded</u>	<u>Unfunded Pension Benefit Obligation</u>	<u>Annual Covered Payroll</u>	<u>Unfunded Pension Benefit Obligation as a Percentage of Annual Payroll</u>
1988	\$ 748	\$ 1,851	40%	\$ 1,103	\$ 513	215%
1989	899	2,027	44%	1,128	636	177%
1990	983	2,154	46%	1,172	636	184%
1991	1,010	2,114	48%	1,104	663	167%
1992	1,196	2,220	54%	1,024	663	154%

(1) The investment portfolio is regulated by the Massachusetts General Laws, Chapter 32, Section 23. Investments are presented at fair market value and managed by independent investment advisors.

Note: Statement No. 5 of the Governmental Accounting Standards Board (GASB No.5) requires ten-year historical information, if available. Such information is not available on the basis prescribed by GASB No. 5 prior to 1988.

Source: City of Boston State—Boston Retirement System.

Table-20

GENERAL INFORMATION

CITY GOVERNMENT

Date of incorporation.....	1822
Present charter first adopted.....	1909
Form of government.....	Mayor / City Council

GEOGRAPHICAL DATA

Altitude.....	28 feet above sea level
Area (square miles):	
Land.....	43.2
Water.....	2.2
Climate:	
Annual average.....	52.3
January 1993 average high.....	39.4
January 1993 average low.....	25.4
July 1993 average high.....	83.6
July 1993 average low.....	65.8
Rainfall in inches as of Oct. 1993.....	45.02

ELECTIONS

Registered voters as of Nov. 1993.....	233,228
% voted in last general election.....	50.7 %

CITY EMPLOYEES

Total number of employees.....	19,326
City and county.....	8,705
School department.....	8,073
Health and Hospitals.....	2,548

FIRE PROTECTION

Officers and personnel.....	1,720
Stations.....	34
Calls answered.....	47,607
Inspections conducted.....	6,800

POLICE PROTECTION

Officers and personnel.....	2,568
Stations.....	11
Calls answered.....	595,998
Moving Violations.....	83,152
Traffic violations.....	13,437
Parking violations.....	1,778,245

HOSPITALS (as of January 1992)

Number of hospitals.....	30
Patient beds.....	8,459
Birth rate / thousand residents.....	16.7
Death rate / thousand residents.....	8.7

LIBRARY

Personnel full time.....	497
Personnel part time.....	121
Central and branch libraries.....	26
Mobile units.....	1
Books, audio and video materials, newspapers and magazines in circulation...	28.5 million
Library cards in force.....	408,854

PUBLIC EDUCATION

Student enrollment.....	60,000
Teachers and other certified employees.....	4,760
Total number of schools.....	117

STREETS, SIDEWALKS AND BRIDGES

Streets paved in miles.....	783
Sidewalks in miles.....	1,500
Traffic signals.....	785
Parking meters.....	7,700
Bridges.....	4

PARKS AND RECREATION

Personnel.....	250
Major parks.....	4
Neighborhood and community parks.....	11
Neighborhood playgrounds.....	192
Community recreation centers.....	38
Golf courses.....	2
Swimming pools.....	19
Tennis courts.....	15

BOSTON LOGAN AIRPORT

Acreage.....	2,400
Miles of runway.....	7
Miles of taxiway.....	14
Domestic and international airlines.....	37
Passengers served (approximately).....	24.1 million



